THE EMPIRE CLUB

ADDRESSES 1951-1952

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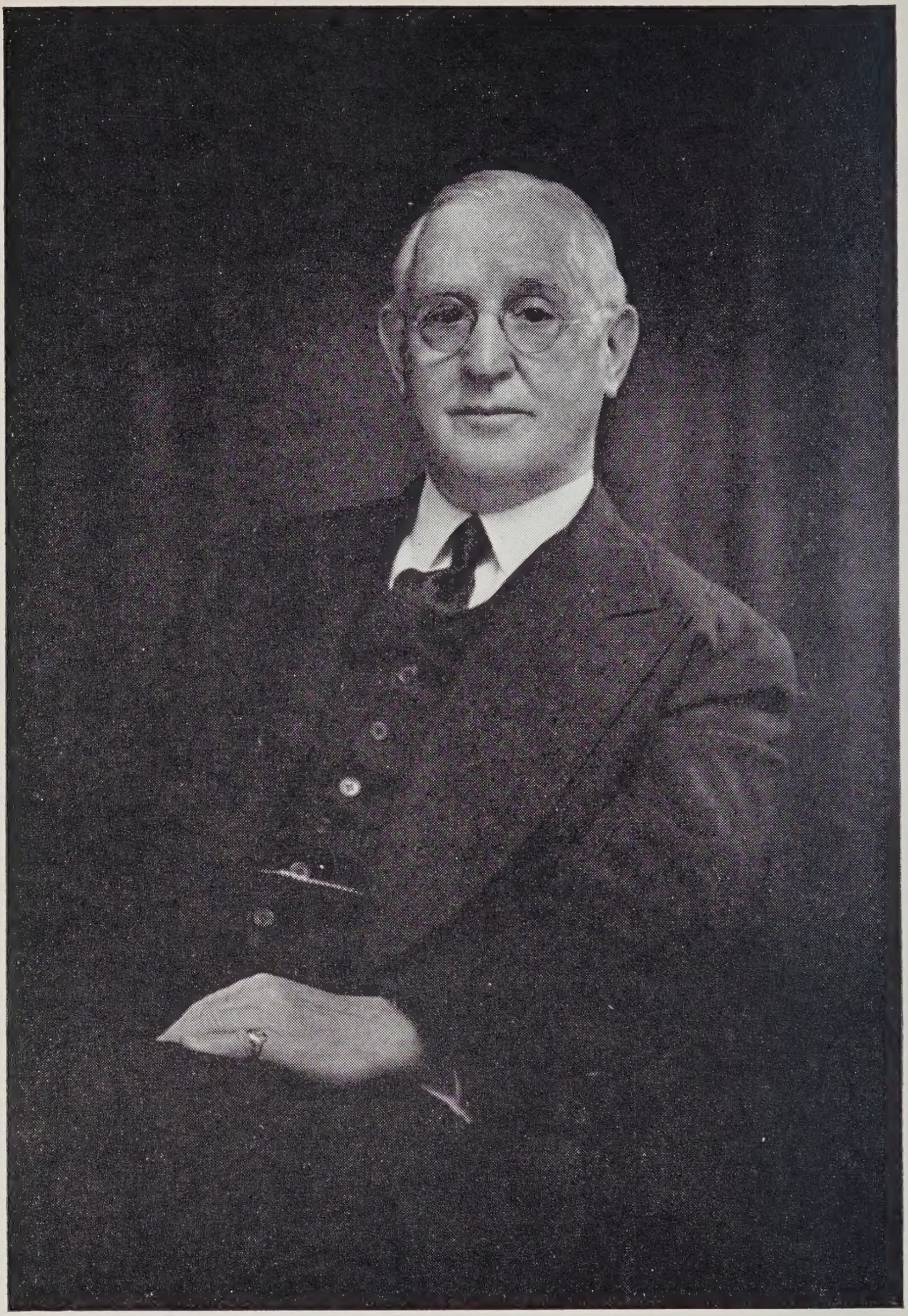
THE EMPIRE CLUB OF CANADA



D. H. GIBSON, C.B.E.
PRESIDENT OF THE EMPIRE CLUB OF CANADA
1951-1952

THE EMPIRE CLUB
OF CANADA

Addresses 1951-1952

GOD SAVE THE QUEEN

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The Empire Club of Canada

Forty-ninth year of Issue

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EXCERPT FROM 'ORIGIN AND OBJECTS OF THE EMPIRE CLUB" PUBLISHED IN THE YEAR BOOK FOR 1903-1904

On November 18th, 1903, a small meeting was held in Webb's Restaurant, Toronto, mainly on the initiative of Lieut.-Col. James Mason, for the purpose of preliminary discussion. The Chairman in a brief speech pointed to the desirability of an organization, following the plan of weekly luncheons, to be addressed by prominent men, or men speaking with authority upon the issues of the day, and having also a distinctive basis of British Unity in its work and policy.

A sub-Committee met on the following day and appointed . . . . . a Committee to draft a Constitution.

The meeting at which these principles and rules were approved and organization effected was held at the Luncheon hour on November 25th, in Webb's Restaurant, with some seventy gentlemen present . . . . after a discussion of various proposed names . . . . The Empire Club of Canada . . . . was approved by a large majority.

THE ROYAL EMPIRE SOCIETY

AND

THE EMPIRE CLUB OF CANADA

The Royal Empire Society of London, England, and The Empire Club of Canada at Toronto were both founded for a single purpose and with a common aim:—The strengthening of the bonds of unity within the Empire. This mutual objective is prosecuted with vigorous enthusiasm by the members of these organizations on both sides of the Atlantic Ocean.

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The opinions and views expressed in the Addresses. contained in this volume, are those of the speakers themselves and do not necessarily carry the full or partial endorsement of The Empire Club of Canada.

THE EMPIRE CLUB OF CANADA

"THE UNITED NATIONS AS A FORCE FOR PEACE AND PROSPERITY"

An Address by

SIR GLADWYN JEBB, K.C.M.G.
United Kingdom Representative to the United Nations

Joint Meeting with The Canadian Club of Toronto

Monday, August 13th 1951

CHAIRMAN: The President of The Canadian Club of Toronto, Mr. R. M. Barbour.

SIR GLADWYN JEBB: It is a real pleasure for me to make my first (though I hope not my last) speech in Canada because I am one of the world's greatest admirers of Canadians and of the Canadian political system. It has always seemed to me—and I have been in a position to observe these matters during the last ten years or so—that Canada is particularly blessed by having both first-rate political leaders and first-rate professional advisers who are able to work together in complete harmony and with great efficiency. To function properly, a parliamentary democracy must be founded on a system like this; and there is no doubt whatever that Canada is in the front rank of parliamentary democracies. When one thinks of the problems that Canada has had to solve during the course of her history, her success in constructing such a political system is all the more remarkable. Vast distances, a sometimes all too bracing climate, the difference in traditions and religions—all these were circumstances which might have prevented the creation of the strong nation which has in fact emerged. This seems to suggest that there may well be some particular virtue in the political system established in Canada and largely, I am proud to say, borrowed from Britain. Although today you want me to talk on the larger subject of the United Nations, perhaps I can, right at the beginning, take comfort from the fact that if Canadians of varying races have developed a wilderness and formed this flourishing community within a comparatively short space of time, so may the international community of the future gradually be formed—for it might well be based on some of the principles which have led to the triumph of Canadian civilization.

Now when I speak, as I often have to do, on the United Nations, I try in advance to clear my own mind about what the United Nations really is. Someone remarked some time ago—and I wish I could remember who—that in political matters it is essential, if possible, to "clear one's mind of cant". There is no doubt that the United Nations is a subject which especially lends itself to cant, that is to say to the use of rhetorical and rather meaningless phrases expressive of pious intentions without much regard for realities.

For instance, you have asked me today, more specifically, to speak about the "United Nations as a Force for Peace and Prosperity". How far can it really be said that the United Nations is itself a force? Is it not perhaps the Governments which compose it that are the force? Or even certain of those Governments? Is there, in other words, some really concrete entity called the United Nations which does things on its own and which therefore can be considered to be a "person" in the Roman sense, such as, for instance, Canada or Great Britain? In the popular mind there often seem to be two extreme personifications of the United Nations. One is an angelic, but not wildly intelligent, figure (sometimes labelled "Peace") that constantly appears in Low's cartoons where she is usually being assaulted by some brutal uniformed aggressor. The other (which tends to appear in such papers as the Chicago Tribune) is of a bald and middle-aged gentleman of dubious and obviously foreign appearance who is plotting with another gentleman of the same type over a green baize table. For some reason he always wears a frock coat and quite often a top hat as well. One picture suggests a kind of duly constituted, but supine international authority always being thwarted by the wicked manoeuvres of politicians: the other suggests a kind of international plot against national sovereignty.

As is usual, neither of these extreme conceptions is the true one. Though it may come in the end, a World State is not now even a remote possibility and it was, of course, nothing of the kind which was established by the Charter of the United Nations. After all, if it ever did come about, a World State could only come about in two ways: either one Great Power would, as a result of a World War, exert authority over the rest of the world, or a central World Government would be established by common consent. The first possibility is not presumably something which we should wish to happen or that we should work for. If it ever were accomplished it would all too probably take the form of a World Dictatorship. If the other possibility is to come about, it can only be *either* by the abolition of nations and the organisation of the world into constituencies of equal size which would elect representatives to a central parliament *or* by some arrangement, voluntarily entered into, whereby each country had a vote in some central World Government proportionate to its real importance in the world. The first of these two last possibilities can for practical purposes be ruled out. It is in the highest degree unlikely that nations will agree voluntarily to abolish themselves. The second, which embodies a conception known as "weighted voting", may conceivably come about one day, but one has only to consider all it implies to realise how difficult it is. Should we, for instance, agree that a national quota should be established simply on population basis? If not, should we take into consideration such factors as national income, foreign trade, industrialisation, standard of education and so on? And if we did, what likelihood is there that the nations with a small national income would agree to some extent to be dominated by those with higher national incomes? The basis therefore of the present United Nations is clearly the only practicable one. We all known what it is. Essentially it is that no Member can in the last resort be compelled to do anything against its will except by a vote of the Security Council which is concurred in by the Five Permanent Members.

Now even though this may be an arbitrary solution, it at least respresents a certain reality. If we had agreed, for instance, that the Security Council could compel any nation, even a Great Power, to do something against its will by a vote of any seven Members, we might well have produced situations which were, politically speaking, completely unreal and which would certainly not have advanced the cause of peace. Equally if we had laid down that the Assembly, by say a two-thirds majority, could compel any nation to do anything it liked, we might have found that the necessary majority represented, in practice, only a fairly small minority of the population of the world.

For these reasons it was frankly recognised by most people at the Conference at San Francisco that no World Organisation, which really was a World Organisation in the sense of including all the greater nations, could possibly function satisfactorily in practice unless the Great Powers discovered some way of working together in moderate harmony and were prepared for a certain minimum of give and take in their political relationships.

It was moreover assumed—quite wrongly as it turned out—that the United Nations would only really begin functioning properly when the various Peace Treaties had been concluded. For this reason problems connected with the Peace Treaties were deliberately, under the Charter, excluded from its jurisdiction. As we all know, on the political side the United Nations has not functioned as it was intended to function and, to speak frankly, is not at the moment and on its present performance, any positive guarantee against a recurrence of general hostilities. Politically speaking its chief failures have been of course in the direction of the control of armaments and more particularly of atomic armaments; while the injection of purely ideological arguments into the consideration of purely political problems has often vitiated the discussion of these from the start. One result of the failure to agree on the control of armaments has inevitably been failure to agree on the provisions of the Charter for some kind of a force, internationally controlled, which could be used to quell aggression.

And yet there have of course been successes as well. Though I suppose that in theory it could be argued that the disputes regarding Palestine, Indonesia, Greece, Iran and even Kashmir could somehow have been settled even if there had been no United Nations, I think it would be generally agreed that action taken by the United Nations in all these instances either prevented hostilities from breaking out or succeeded once they had broken out in stopping them after what was really a very short period.

Finally, among the successes I myself would unhesitatingly place Korea. The more one looks back on it, the clearer it becomes that the invasion of South Korea by North Korea was a result of miscalculation, and incidentally a miscalculation which must almost certainly have been made in the Kremlin. Looked at from the other side of the fence it must indeed have seemed very probable, to say the least, that no real and decisive support would be given to the South Koreans by what the Soviet Government always refers to as the Imperialists. President Truman's historic gesture and the meeting of the Security Council on that famous Sunday must therefore have come as a complete surprise to the Soviet authorities, and I have little doubt also that confusion was so great that they failed to send what, from their point of view, were the obvious instructions to M. Malik, namely to attend the Security Council meeting and veto any action which the majority wished to take.

We all know the result—how the United Nations forces were formed, how they got to Korea, how they were forced by overwhelming odds back to the coast and how they eventually drove the aggressor over the 38th Parallel for the second time, and held him there, and how consequently a lesson was given to aggressors which may well be heeded all over the world. But it may still be said that this is not exactly the kind of United Nations action foreseen by the Charter. That is so. Owing to the Soviet attitude it was indeed a kind of gratuitous and unforeseen success from the point of view of the United Nations—though no doubt if the Security Council had been frustrated by the misuse of the Soviet veto, the Assembly would eventually have recommended similar action on the lines of what afterwards came to be known as the resolution "Uniting for Peace". We cannot be sure that if similar aggression took place elsewhere in the world, the United Nations would at once be able successfully to cope with it as in Korea, but we do at least know much better than we did the technique which could be employed. As I have already said the mere fact of our successful resistance is of enormous significance from the point of view of promoting general peace.

It is quite true that, as regards Korea, the major credit for this great success must go to the United States which supplied a great majority of troops and most of the money for the campaign. All honour is due to this great nation for the leadership she gave and sacrifices which that leadership entailed. But I think that no one can seriously criticise the part played also in the field by the soldiers of the Countries of the British Commonwealth now organised in the First (U.N.) Commonwealth Division. Given the size of the Commonwealth countries concerned and (in the case of the United Kingdom) her already very great military commitments overseas, I think that we can take credit for putting our whole available weight behind this common and successful effort to repulse the aggressor. In doing so, we have, I suggest, also emphasised to the world that, independent nations as we are, there is such a thing as a Commonwealth spirit, sentimental if you like, but disciplined, forceful, unaggressive and civilised, which is at all times prepared to reinforce any general effort to cope with those who break the international law. After all, though the machinery which it sought to establish may be quite imperfect, the Charter of the United Nations does at least make one thing quite clear—that aggression is a crime which cannot be excused and which somehow or other must be resisted. It is no good pleading that conditions are intolerable; that your neighbour is very wicked; that you were given a raw deal in some past treaty that you once concluded; that your public opinion cannot be resisted; and then claim that all or any of these factors, perfectly valid though they may be, justify you in going to war. If any country does effectively go to war, it is the plain duty of all Members of the United Nations to go to the assistance of the victim.

This does not mean that in the event of aggression all Members of the United Nations must go to war with the aggressor. They would only be legally bound to do so of course if the Security Council, by a vote which included all the Permanent Members, decided that warlike measures must be taken. Failing this, and if the necessary action by the Security Council were made impossible by the improper use of the veto, then, as you all know, under the resolution "Uniting for Peace", it would be possible for the Assembly to make the necessary recommendations. But these would remain recommendations and would not be binding on all members of the United Nations, though they would be at least morally binding on all those Members of the United Nations who had voted for them.

In any case there happily exist organisations other than the United Nations for dealing with overt and flagrant aggression should it suddenly occur. The North Atlantic Treaty Organisation, based firmly as it is on Article 51 of the Charter, lays down in effect that all Members of the Organisation will be at war with an aggressor if any one of its Members is the victim of aggression. The same applies substantially (though the wording is not so explicit) to the recently concluded pact between the United States, New Zealand and Australia. In addition we have the Treaty of Rio, which covers the entire Western Hemisphere, and those other impalpable though nevertheless strong moral obligations which bind together the Members of the British Commonwealth. It will at once be observed therefore that, if you take in Greece and Turkey, whose early accession to the Atlantic Pact is devoutly to be desired, a very large part of the world is already covered by strong guarantees of support in the event of aggression, over and above the the support which ought in theory to be immediately forthcoming from the United Nations itself but which in present circumstances might quite likely only take the form of partial and perhaps not immediate support as a result of recommendations by the General Assembly.

But perhaps in future, and more especially when the Western World redresses the balance in armaments which at present tilts so heavily against it when compared with the armaments of the Soviet *bloc*, things will not work out quite in this way. It seems much more probable that then we may be increasingly faced with the problem of "indirect aggression". Conditions in small country X may be really bad economically: the internal political situation may be equally rotten: some *coup* may then be effected which brings it under the control of neighbouring big country Y.

If we are to avoid a situation like this from developing into a World War—and of course there is no denying that it very well might—the United Nations could be very useful in two ways. In the first place, a debate in the Security Council at the right moment might make those responsible hesitate before taking any irrevocable step. In the second place, and more importantly, the United Nations may, over the coming years, successfully insist on something being done to improve the economic situation in small country X. In this, they would be providing the complement to the work already being undertaken in, for instance, the Colombo Plan and President Truman's Point Four.

Now here the Western World finds itself in a dilemma. The so-called under-developed countries, and more particularly those in Asia where the food supply can only with difficulty keep pace with the perpetual increase in population, are often chary of accepting assistance offered by the West. They may fear that this implies an alignment with the West politically, which they wish to avoid, preferring neutrality between the two blocs; and they are highly sensitive to any attempt to supervise the way in which the proffered assistance is used, suspecting a threat to their often newly-won independence. Here the United Nations have a great contribution to make. Under its auspices, it may be possible to overcome the hesitations of the East, to create that new sense of partnership between the industrialised West and the unindustrialised East which could be of such inestimable benefit to both.

But for a partnership of this sort large-scale funds will be needed, which, though they may well give great yields in the long run, at the moment only represent a heavy burden on the pocket of the Western taxpayers. How can such payments be reconciled with the admitted necessity of arming the West so that it need no longer be under the physical threat of domination by the Soviet Union?

From the United Nations' point of view it can only be said that the dilemma must be solved somehow. At one extreme it is obvious that there is no object in both sides piling up armaments beyond a certain point; for that would result in economic collapse, unless indeed there is a world war when the same result might ultimately be expected. [Moreover, whatever else armaments can do, they cannot solve the problem of what to do with a society which is in a state of dissolution.] At the same time, it is only too clear that in the Western world, expenditure on armaments must have priority if we are to survive as free countries.

To the faint-hearted the sort of problems connected with the underdeveloped countries which I have been alluding to must seem so baffling and insoluble that they may be tempted, as Pitt was after Austerlitz, to say "Roll up the Map" and turn their face to the wall. Others may take the line that the only thing to do is to arm feverishly and at the right moment stage a show-down which will either result in war or in a retreat by the other side that will enable us to live happily ever afterwards. Others again (few I hope) will say "No more armaments; let us trust Uncle Joe; he can't want to strain his economy any more than we do". Others again, however, may well turn to the United Nations, not as a cure-all, not as a potential World Government or World Dictatorship, but as a forum where the burning questions of our time can at least be aired and debated. And not only that: for in the United Nations there does exist a code of conduct and a set of rules governing international intercourse: and even if the two sides are so far apart that they can hardly understand —however wonderful the system of interpretation—what the other says, at least the fact that they have to go through certain formalities and obey certain rules does suggest that they will be forced as it were into a common posture. And that at least is something.

This leads up to the more specific point that I should like to make today. One often hears people say "What is the use of trying to preserve the universality of the United Nations when the Communist *bloc*, which countenances both direct and indirect aggression, is obviously not prepared genuinely to subscribe to the principles and purposes of the Charter?" Such people proceed to argue that for these reasons the mere existence of the United Nations is a snare and a delusion and that far the best thing would be, by one means or another, to expel the Communist States and in fact limit the membership to such states as are really democratic or at any rate are not actively working against what we conceive of as democratic principles. This attitude is comprehensible, more especially perhaps when the troops of many loyal Members of the United Nations are actively engaged in resisting Communist aggression. But I really do not think it is wise and I will try to explain why.

In the first place there is a purely legal argument. I would not wish to attach undue importance to this, but it is a fact that no Permanent Member of the Security Council can be expelled from the United Nations except with his own consent and no other Member can be expelled except with the unanimous consent of the Five Permanent Members. Legally, therefore, no member of the Communist bloc can be expelled though it is of course true that any Member can resign if he so wishes, and it is quite conceivable that the Communists may one day leave of their own accord. Of course, devices could be employed to circumvent this legal disability. I suppose that in theory some decision might be taken to wind up the United Nations altogether and then start again with a new Membership; but besides being very complicated and of doubtful legal validity, this would no doubt in practice mean having to agree on a new Charter, and one can well imagine the difficulties standing in the way of this, even if a Conference was held between States with a wholly similar political philosophy.

But supposing that by one means or another the Communists were excluded, or indeed that they left of their own accord, the purely practical question remains—would this really be to our benefit? It has become clear over the past year that there are a number of countries, including a large part of the world's population, who are very reluctant to take sides at this particular time in the general conflict of ideas between the Soviet bloc and the democratic world. It may be that they are waiting to see whether what Stalin calls "peaceful co-operation" between Communist and non-Communist states is or is not a real possibility. At any rate many of them were reluctant to follow the lead given by the Security Council in connection with the aggression in Korea. I suggest that in the circumstances we are contemplating few if any members of this group would be likely to stay on for long in a United Nations which, in the nature of things, would become in effect nothing more than an anti-Communist alliance.

If these states left the United Nations Organisation there would be left as Members only countries which are already committed and in varying degrees organised to resist aggression on the part of the Communist bloc, in such bodies as the North Atlantic Treaty Organisation. Thus it appears that developments tending to make the United Nations an anti-Communist organisation are not in fact tending to contribute to the strength of the resistance to Communism. So far as the major political problems are concerned, therefore, we should certainly not be any better off and we might indeed be considerably worse off since there would not be even any moral compulsion on the seceding non-Communist States to abide by the decisions or recommendations of the United Nations.

My argument so far has been somewhat negative—it has tried to show that efforts to turn the United Nations into an anti-Communist organisation would to some extent defeat their own object. I should now like to turn to some positive considerations in favour of an alternative course, i.e., in favour of developing the United Nations on the lines which have been followed in the past. With threats of aggression in the air it is natural that we should give a good deal of attention to the United Nations as an organisation for dealing with aggression. But we must not forget that this was by no means the only purpose for which the United Nations was created. It was also created, in the words of the Charter, "to be a centre for harmonising the actions of nations". It was intended just as much to be a forum of conciliation where all view-points could be heard and discussed. In this way it was hoped to promote an atmosphere in international affairs which would itself contribute to making aggression less likely. It is true that this role of the United Nations has not been fulfilled to the extent that we would all have wished, but it nevertheless remains true that it is a role which the Organisation has played and is still capable of playing. It is far too early to say, and indeed it is our earnest hope that the time will never come to say it, that this is a role which cannot be fulfilled. Even if aggression occurs in one part of the world, as it has done in Korea, the United Nations can continue to fulfil its function with respect to the numerous disputes and issues that arise between nations in all the rest of the globe.

There is also a further and more precise consideration that I think we should take account of. As and when the balance of armaments tends to level out, and if a general war is to be avoided, there must be some kind of political settlement or perhaps a series of political arrangements. Though its existence might not be essential for such operations, their successful conclusion would almost certainly be facilitated by a United Nations which was still "universal" in the sense of including both Communist and non-

Communist powers. And apart from this, it is, perhaps, in the long run even more important that the new nations of Asia should use the United Nations to the full, both on the political and on the economic side, in order to emerge from the revolutionary situation which at present confronts all or most of them by achieving that general synthesis between Western technique and Eastern civilisation which would seem to be essential if society is not going positively to disintegrate in large sections of the World.

THANKS OF THE MEETING were expressed by the First Vice-President, Brig. Colin Campbell.

"KOREAN REPORT"

An Address by

WILLIAM BOSS

Korean Correspondent, Canadian Press

Wednesday, September 5th, 1951

CHAIRMAN: The First Vice-President, Brig. Colin Campbell.

MR. BOSS: It was a terrifying thing to be invited to speak to you today, much more terrifying to come and see you in your glory, your greatness and your numbers, and a very comforting thing, somewhat mitigating my experiences as I come here to find myself buttressed by friends who have been fellow correspondents with me, and fellow soldiers, and fellow newspaper men here in Canada.

I have usually made it a principle—I first enunciated it in the pulpit of Dominion United Church in Ottawa, to speak my good things second and my unfavourable things first. I don't like to say, "He is a nice fellow, *but*", and then lay in. However, I will vary from that principle today by saying the favourable things which should be said about our troops out there, then I am going to follow up with a seriously intended, and what I hope will be a favourably considered "*but*".

The troops over there, the 25th Infantry Brigade Group, are terrific. I went over last November with the Patricias, I stayed with them from the time they first began their training in the field, through their operations, watched them grow from a bunch of guys just thrown together to a battalion which has earned, as you well know, very great credit and a terrific reputation for Canada in Korea.

The Patricias I feel are the best thing the Canadian Army has ever created. They have now an esprit de corps which in my experience in war and in touch with the Army since, I have never seen matched. It is the sort of thing that battalion commanders and regimental commanders like to have, want to have. It is an indispensable part of their equipment—which they try to inculcate in their example and teaching, but which sometimes catches and sometimes does not.

In the Patricias it began by example at the top, and it grew by conviction from the bottom, conviction based on training, based on performance and based on the confidence that comes of knowing that you can do a good job.

Now, as the Patricias are about to come home by companies, or in company strengths, it is my hope—and I put this forward personally—that somehow the way will be found for the battalion to remain as a battalion in the Canadian Army. We are at a time when our armies are very important elements in our system. The Army has to attract unto itself the best, or its share of the best, of young Canadian manhood, and I can think of no better way of going about this than letting these men, individually, when they come home, spread across the country from Coast to Coast. This battalion is representative of the whole country, and by the force of their personal example speak for the Army. They don't have to go out as recruiting officers—they don't want to do that—but they are walking advertisements of what the Army can do for a man. And then bring this outfit together and see how it functions—it will be a revelation.

The Royal 22nd Regiment, the Royal Canadian Regiment, the Lord Strathcona Horse's "Charlie" Squadron, the 2nd Regiment Royal Canadian Horse Artillery, the other units represented in the Brigade, arriving in May, were ready for action toward the end of May—just about the time that the thing seemed to come to a stop. They have seen action, they have had two or three fair battles, enough to know they can do a job, but they have not yet had occasion to pull out the "stops". They feel somewhat cheated at the moment but it looks as though very conceivably they may yet have work to do. This is an aggressive brigade and a good one. It is the 2nd Brigade in the 1st British Commonwealth Division, commanded by Major-General Jim Cassels. It is the first British, and because our interests are particularly Canadian, we in Canada have not perhaps heard as much as perhaps we would like. I feel that because your boys are serving under this man, that you should know that he is in every way an outstanding soldier, young (he is only 42), a gentleman, of a family with military tradition. His father was a Major-General. He is an accomplished soldier, a diplomat, which he would certainly have to be, handling troops from five nations, and one in whom in every way you should feel confident your sons are serving.

Now the summer which your troops have spent has been a boring one. As you know, we reached the Parallel, and a line somewhat north of it early in June, spent July and until now in raids at depth, trying to pin-point the Chinese positions, find out where they were, in what strength, and keep our fingers on them. In other words, knowing not too much about the situation, except keeping ourselves abreast of it. This has meant perhaps one or two days real soldiering a week, that is going out on a job and coming back through your own lines once completed. The rest of the time they have spent in this country (Korea), putting in time, doing training, doing drilling, weapons familiarization, keeping themselves fit—but just sitting under canvas, and the soldier has had a dull time while things have been taking place at Kaesong.

The weather has been not quite as hot as you know here in Toronto, but the humidity has been intense, so that in Korea although you can be doing nothing you still perspire by the pint: you just seem to dissolve. It is a most incredible experience. The rain has bothered us very little. The rainy season was much advertised, much discussed before it came. It was a matter of having two or three days intense rain with lashing winds, and clearing, with three or four days of sunshine and humidity, then more rain.

I feel that where the troops are now, along the present line, is a line which can be held against anything the Communists want to throw against it. Minor adjustments may be necessary, will be necessary, but I think that when you read, with the skepticism you do have I know, about the Chinese and the North Koreans hurling themselves against our positions in massed hundreds, wave upon wave, and more waves following, and being slaughtered and decimated not by tens, and not by hundreds, but by thousands, you may have confidence in what you hear. I have seen them on the 2nd Division front at the rate of 2,000 corpses to a battle field. I have seen them in front of the Patricias key positions after the April 24th battle at the rate of 17 dead to a section position. Now that simply means that troops are being thrown at us on a scale that you and I recoil at. You hear people say "That was good killing". You see Army officers quoted as saying, "That was good killing". And sometimes even the soldiers themselves exclaim so while they are at it. But killing the enemy is the thing that they are there to do, and if the enemy affords it on that scale, there is no alternative. It was an impressive thing, I assure you, to see bodies strewn that way.

So when I read yesterday that the Eighth Army had revised its casualty figure from 2,000 to 8,000, after examination of a battlefield, I felt there was no reason to doubt that particular report. It will happen definitely if the Communists act on the scale on which they seem to be equipped to do.

Now this country of Korea in which the troops are fighting is one which conveys certain impressions on first sight, which impressions last with the soldier, because living the life he leads, he has no opportunity to go out and discover what he can about the country's culture, its history, its traditions, to make the sort of friendships that cement impressions, and help to build that international bridge which we have succeeded in doing in Europe, and now that we are oriented to the East, it would seem that the opportunity was open to do. The country stinks and smells; it is dusty, dirty, filthy. You can't imagine the impact these have on the senses, and they create the most unfavourable impression; as I say, an impression which lasts.

The Koreans to the soldier are a strange people. They dress differently, they have different conventions, different customs. He sees some of the more obvious ones; he hasn't any idea what goes on in the Korean home. All he knows is that they are there, this is the way they live, and that their country not only creates this unfavourable impression on his mind, but that he has to slug through it, and go up its interminable succession of hills and mountains to do his job. Korea is an unbroken succession of hill after hill, mountain after mountain: you climb one to find the prospect of the next one—climb it in turn to see the next. To the soldier this means work, and hard work, with 75 pounds on his back to carry.

Under these conditions it is not surprising that the Canadian soldier has had, or has developed, an unfortunate attitude to the Korean civilian. I want to put it to you, Sir—and these are my "Buts",—as suggestions, that if the Koreans have become disenchanted with us of the West, and if our soldiers have developed this attitude, that the answer may lie in Education. The second point I would like to put is that if the answer lies in education, that there may be something in this that is a challenge to us right here in Canada.

Look at it from the point of view of the Koreans. The war has meant the destruction of their country on a massive scale. From the south, as far north as Taegu the country has been relatively untouched. From Taegu north as far as you want to go to the Manchurian border—that will be as far as the 38th Parallel, as far as you are concerned, but I am sure that the destruction has been even more intense and the sufferings more widespread north of the Parallel—you will find homes, clusters of dwellings, or the sites of what were homes and clusters of dwellings—mere piles of ash—the ash of rice straw burnt. At first it is gray, then it turns into a sort of pink violet. And this ash is the thing, which to my mind, connotes Korea today, not necessarily the hills. Korea has been levelled. Its buildings, the public ones—most of them modern—destroyed, or made shells, its intellectual life pillaged by the abduction last year of its leaders, the professors, the teachers, the professional men taken prisoners by the Communists and marched north. God only knows what happened to them. Its libraries destroyed or taken away—destruction on a scale estimated by the Korean government at three billion dollars, in a poor country, and on a scale which the United Nations Rehabilitation Agency estimates at two billion 500 million dollars. We plan, incidentally, to help Korea to the tune of 250 million dollars.

This country has contributed materially to what has been going on, she has not only been the site of the battle. She contributed her blood—in our bombing raids, and all the bombing raids have been done by us. Our Napalm air strikes in support of our infantry, on villages oftentimes not defended by the other side. Our artillery fire—all these have taken their toll in civilian life, and in the maiming, mutilation of civilian bodies.

The Koreans have contributed their soldiers' lives. Here I would like to say and my authority is not only my own experience, on the basis of which I wrote a story last June, my authority is General James A. Van Fleet, Commander of the Eighth Army in an interview with myself about a month ago. The Republic of Korea soldier can be as good or better a soldier in the defence of his country than we produce. There is nothing against the South Korean, or the Korean, nothing in his make-up, to prevent him from being as good a soldier as our boys. He is diligent, he is cheerful, he is industrious, he is inured to hardship. He knows his country. He can be a good soldier. Why hasn't he been? Because he has not been trained.

Korean soldiers were fed into new divisions after five or six days training last December, last January and last February. The Korean Government would be told, "We will have equipment for a division, say, the 16th of January." The Government would go out on the old chain gang principle, levy men on the streets, bring them in, give them anything from five to 16 days' training—16 days' training is the maximum training any Korean soldier has had who has been levied, since last August,—and put them into these new divisions, which have never before functioned on any level, let alone the platoon, the company, the regiment or the brigade level. How can you form military divisions on this basis and expect them to function?

Naturally the other side probed out to find where they were on the line. Naturally it built up on the front held by those divisions, and naturally there it struck, and naturally there they fell.

This has been recognized. It was recognized, it was all too apparent at the time, but nothing could be done. A front has since been created which makes it possible to do something. The Korean Army is being withdrawn from the line at the rate of a division every six weeks, and the divisions are being retrained from basic level up to divisional. The country, guided by the Eighth U. S. Army, has worked out a training programme covering 16 weeks for the preparation of the new soldier entering the Army. That 16 weeks is two weeks longer than the U. S. Army provides its troops.

These soldiers will be trained under conditions much less comfortable and much less equipped with the amenities than those provided for the American troops. They will get rough basic soldiering.

Now I think, having made that point, I think it is pretty evident that the Koreans have contributed to this thing in their country. They have a stake, and they are entitled to some consideration. But in point of fact, the attitude worked in our troops by the various factors that have been operative in them since they arrived, is a feeling of superiority, an arrogance, a condescension, that can lead only to resentment by the Korean civilian. And when it reaches the point that it takes away their pride, the humiliation they feel can turn to things other than mere unpleasantness. They do not yet, but they can come to hate us. Such things, for instance, as the elbowing of civilians off the road. "Get out of my way". The shaving of an oxcart by a jeep going by just to see how close you can come. And give the Korean leading his oxen a bit of a scare. Snarling when they approach Company areas and sending them away rather forcefully. These are the sort of thing that indicates the attitude. I shall describe an incident to you. I was driving along the road to Uijongbu two weeks ago last Saturday, and reached a military check point, where military police from the three powers represented among the troops in that area were stationed. As I was about 300 yards short of that check-point, I saw one of the military policemen kick a Korean civilian across the road. Having kicked that civilian, he went across the road and kicked him again. I drove up and stopped the jeep, and I called to the Canadian corporal who was with the other two policemen, and I asked him to have the man who had been so active to come to my jeep. I still remember my upper lip quivering as I spoke to that man. I said, "Soldier, I don't like seeing United Nations policemen kicking the Korean civilians around." And he said, "Well, what do you expect me to do when they get in my way?" I said a few crisp things about the conduct that we expected from Military policemen.

There are two things which I remember about this. One is that a soldier found it possible to behave in this way. The second is that another soldier, one of our boys, found it possible to see a man do this and not register some protest. And indeed, I said to the Canadian corporal, "Corporal, if you had been half a man you would have done that for me."

Now this lack of concern for the Koreans can be dangerous because our friends are few in the East, and we need every one we can get, every one we can hold. If our troops—and I am not speaking exclusively of our Canadian troops—but of our Western troops, if our troops can behave this way, have this attitude, and yet back home, back here in Canada be to all appearances good, law-abiding in every way, respected citizens, as I am sure they are and you would accord them that status, is it not possible that any one of them might be the representative of any one of us over there, that you might be transplanted to Korea, I transplanted, or any of us here transplanted there, possibly that we might react in the same way, have the same attitude?

Now that perhaps being the case, the answer, it seems to me, is in education. You can't tell a soldier to be good. I mean, if you say, "Be good, old boy", he will follow his own bent. But if you interest him in where he is, in what it stands for, what it means, its culture, its history, its traditions, its customs, its conventions, if you educate him in these, it is possible that you will so interest him that his attitude to where he is will change. And I feel that precisely that is called for in Korea.

It is not too late to do something to meet this situation.

The other challenge is this. These boys are the products of our Canadian homes and Canadian schools, our Canadian society. It might be that we here do not yet fully realize the significance of the conflict in which we are involved—that the principles which we say we stand for do not yet mean to us something that will guide us in our conduct when we are apart or divorced from the conventions which apply in our own society. It is not the Army's business to teach religion, to teach philosophy. The Army's job is to take the men we give it and make soldiers of them. To make better soldiers of them in Korea requires education in the things Korea stands for.

Now it is evident to me that this thing is already operative from the troops themselves. The Vandoos, the Royal 22nd Regiment, the Regiment with a heart, has already realized the significance of what is afoot and realized it at the troop level. Company Sergeant-Major Maurice Juteau of Montreal, the Sergeant-Major who is responsible for the Scout and Sniper platoon and is as good a fighting soldier as one would want to know, one day happened to go into the Civilian Hospital at Uijongbu. There this man was electrified by the conditions he saw—the plight of the patients, their wounds, their sicknesses, the lack of bedding, the lack of medicines, dressings and the lack of food. This man, by the way, is so fighting a soldier that he does not like one of the weapons he is given —the Canadian Sten gun,—and he has written to the

Minister of National Defence about it and had an answer back—he thinks we should use the American machine carbine,—he is a very active and intense soldier—and he went back to his battalion, and he said, "We must do something about this," and he went around and organized what he called "Khaki Charities", and he got the boys to go through kits and see how much clothing they could give away that they didn't need; to go through the packages from home and see what they could do away with; to go through their rations and see what they could dispose of.

And this was done, on a battalion basis, with the approval of the Colonel, and Khaki Charities now operates. It makes twice-a-week collections, and when I left three truck loads of food and clothing had gone from the "Vandoos" down to this Korean Civilian Hospital in Uijongbu—enough food alone to give 5,000 meals. And this thing, I am sure will continue and expand. But it must grow from the ground, it must be something spontaneous, which the soldiers themselves take hold of.

In the Patricias this problem has never arisen. They had their first impressions, as everyone does. Then they went into the training period in the south, and had time before finding themselves committed to battle to make the adjustment and to interest themselves a little bit in what was going on, and, further, they had their Padre, Capt. Roger Nunn, who had been a missionary in Korea, who was able to do some explaining, so that the thing worked itself out, and by the time the Patricias reached the line they had acquired some understanding, some appreciation of the Koreans, which was fed by the assistance and by the work and devotion of the laborers our boys called "rice burners," who worked with them. The reputation has been justified by the Korean rice burners, who have grown from the 75 originally detailed to us to 185. They have brought in their friends and relatives because they were well treated and these 185 have stuck with the Patricias through thick and thin, and the Patricias have had some "thick" times and pretty "thin" times.

So I say this thing is already operative.

If the people say we have failed in Korea, as some correspondents do say, I say that is quite wrong: we haven't failed, and with the sort of men we have there, I don't think we will fail. I might say we are just not doing as well as we might.

Mr. Chairman and Gentlemen, I am very grateful for having had the opportunity to speak to you today. I fully realize that the message I felt I had to deliver, which is a personal message is not a pleasant one. But I feel it to be one that should be delivered by any Canadian who was able to go to Korea and go around to the extent that I have, I am a civilian and not bound by the Army nor constricted in my movements, and I have had the opportunity to go around and look into the country. I feel that this message would be delivered by any Canadian coming back from there to his own people and I hope that my words will not be taken amiss.

THANKS OF THE MEETING were expressed by Mr. John Basset, Jr.

"WHAT'S WRONG WITH CANADA'S CONSTITUTION"

An Address by

HON. DANA PORTER, K.C.
Attorney-General of Ontario

Thursday, October 4, 1951

CHAIRMAN: The President, Mr. D. H. Gibson.

Mr. GIBSON: Coming to our subject and our Speaker, "WHAT IS WRONG WITH THE CANADIAN CONSTITUTION", and our Speaker the Hon. Dana Porter, well known to all of us in Toronto, highly esteemed and regarded not altogether for his political affiliations.

Born in Toronto, January 14th, 1901, Mr. Porter was educated at U.T.S. and the University of Toronto, at Oxford and Osgoode Hall. It is a great tribute to Mr. Porter and I know he denied himself a brilliant career in Law, in order to serve his fellow citizens, for which we are profoundly grateful.

He was called to the Bar in 1926 and is a King's Counsel.

After practicing law for sixteen years he was elected to the Ontario Legislature as a Progressive-Conservative Member in August, 1943. In his career many outstanding Acts have been put through. He is a man of action. During the first session of the new government, an Act was passed establishing a Department of Planning and Development. Mr. Porter was appointed the first Minister of this Department. The purpose of the Department was to deal with post-war problems. And then that grand piece of work, The Teachers' Superannuation Act, which provided for increased pensions for school teachers. And other great tributes fall at the feet of this esteemed member of the Club.

We frequently turn our minds to Gray's Inn, that Temple of Her Majesty's Judges, Lords of Appeal. In 1608, Sir Francis Bacon was Treasurer of Gray's Inn, and commented that men:

"Create good precedents and follow them, and always remember to seek counsel of both times. Of the ancient time what is best, and of the latter time what is fittest."

As Attorney-General, Hon. Dana Porter has attended the Series of Dominion-Provincial Conferences which have been held to consider means of amending the Canadian Constitution.

Mr. Porter is a Past President of the Empire Club and a member of the National and Albany Clubs and the Canadian Institute of International Affairs.

MR. PORTER: Much as I regret having to part with that magnificent Department of Education, nevertheless nothing has pleased me more than that Mr. Dunlop has agreed to accept the responsibility of guiding the destinies of that Department, I hope for many years to come, and that means, if the newspapers at noon are correct, my hopes are in common with his.

I remember so well, about eighteen years ago, when I was Chairman of this Club, I think that was the last time I stood at this podium, and all the great problems we have of getting people to speak, and wondering what they were going to say, and I wish you, Mr. Chairman, a most successful year as Chairman of this Empire Club, with its great traditions, with what, in many respects, is unique in the City of Toronto.

Today I thought that, knowing that I would no longer be associated with the Department of Education which always had so much rich material for speeches, I thought that I had better confine myself to my own business, and I decided that dry as the subject may appear to be, that some consideration dealing with the Constitution of Canada may be of interest to the Empire Club. I think it is something which we all know about in a vague way. We accept the fact that there is a Constitution somewhere in the distance, that in a rough and ready way guides our destinies, but I think we have all taken it for granted, and may not realize the issue that is shaping up with reference to that Constitution.

Sir Wilfrid Laurier once predicted that the Twentieth Century would be Canada's century. Since the early decades of the 1900's we have witnessed vast changes in almost every direction. We have seen the steady development of raw materials, the expansion of industry, the progress of agriculture, the increasing productivity of labour, and with all these, the awakening of a Canadian culture. We have survived participation in two world wars. We have gone through times of prosperity. We have emerged from a deep economic depression, when the lights seemed to be going out all over the world. And now, as we cross the half-way mark of this Twentieth Century, the earlier prediction seems almost about to be true. We are a nation. We live under a constitution that has served us well. Through our federal system of government we manage our own affairs—without interference, without restriction from any outside authority—and as we view the world today where else can we see the same combination of new and extending frontiers for development along with a people who are free and conditioned to the pursuit of the possibilities that lie before us?

We have reached this point through many moments of uncertainty, and doubt, and bitter controversy. We have maintained a steadiness of purpose, and a will to move forward, and a vision of the future, not merely as an isolated unit in a turbulent world, but as a member of the most durable society of free nations that has ever existed upon the face of the earth. We have prospered as a free Canada within a united Empire. From this relationship we have inherited many traditions, we have gained assistance and support, and also on the other hand, to this relationship we have made our many contributions. Therein lies the secret of so many of the characteristics of our people—therein lies much of the explanation of our growing strength.

There is one peculiarity about our position, however, that raises a fundamental and exceedingly difficult problem. We have arrived at our present status of autonomy and we have succeeded in working out our multitudinous problems of government on every level, whether it be federal, provincial or municipal, within the confines of a constitution that legally we cannot change. It is a matter of fact a tribute to the Fathers of Confederation that we have been able to proceed so far and so successfully within the limits of the constitution, the terms of which they so wisely settled eighty-four years ago. The British North America Act was conceived with such vision and fashioned with such skill that for almost a century this country has been able to accomplish substantially what our people desired to be done, whether in peace or in war. Throughout the controversies of the past this constitution has stood the test. Even in the expanding and changing days in which we live, any widespread popular demand for immediate drastic revision is non-existent. Yet, as we look forward into the future and attempt to visualize the nature of some of the problems that may have to be faced, we cannot escape the conclusion that some generally acceptable procedure for constitutional amendment within our own country is vitally essential. The lack of such procedure is an anomaly. In this respect we are unique in comparison with all other free countries of the world, in comparison with other partners in the British Commonwealth and Empire. The time has undoubtedy come when the foundations should be laid for the correction of this short-coming.

From what I have already said, it should not be assumed that the Constitution of Canada has not been amended, nor that amendment is impossible—such, of course, is not so. The constitution is embodied in the British North America Act of 1867. This, of course, is an Act of the Imperial Parliament, passed at Westminster at that time. As such, it may legally be amended at any time by the Imperial Parliament sitting at Westminster. As such, indeed, legally, it could be repealed by that same Parliament, although the chance of that is about as remote as anything that we could imagine but it is true in this country that the source of legal solidity flows from the Imperial Parliament at Westminster, and the Act under which we conduct all our affairs of government is an Act which is in a sense domiciled over there. In fact, the Constitution has on a number of occasions during the last eighty-four years been amended by act of that Parliament. There have been amendments as to the boundaries between provinces; there have been amendments as to some fairly minor changes in the Constitution of the Canadian Parliament; there have been statutes passed introducing into this Federation, provinces that were formerly territories beyond our borders. One of these amendments of great importance was passed as recently as 1949, and another was passed in this year of 1951. The amendments come about quickly and with no difficulty at all. In the past, with one possible exception, they have been beyond any public controversy of any major scale. In this respect, we might also be tempted to boast that for all practical purposes this method of amendment is a convenient one. It has proved to be simpler and more effective than any to be found elsewhere, because in Australia and in most of the other dominions a most elaborate system of amendment has been provided, and the process of bringing about any change in the Constitution is so difficult that often it is considered impossible. At least it may be said that in the past, at any rate, this rather peculiar method of relying on the Parliament of Great Britain to pass amendments to the constitution of Canada has satisfactorily met the necessities of the situations that have arisen up to the present time. That, however, does not face the real difficulties of the problem, nor the possible situations that may arise in the future, because most of those amendments have dealt with matters of limited importance, in relation to the nation as a whole. Most of them have not touched upon the extremely delicate question of division of powers as between the Federal and the provincial governments. In any consideration of amending procedure this becomes inevitably the crux of the whole situation. For the constitution of Canada is a Federal constitution. It specifies what powers shall be allotted to the Federal Parliament and what powers to the provincial legislatures. Generally, the Federal Parliament may legislate on matters that are national in scope, the provinces on matters of a more local concern. Where is overlapping, as often occurs, or where there is doubt, the issue is decided by the Courts. And, in addition to this, there are certain guarantees in the British North America Act of rights with respect to denominational schools and with respect to language, that none of the law-making bodies in Canada, Federal or Provincial, may legislate away. Within their own spheres of legislation, however, as laid down by the Act the Federal Parliament and the Provincial legislatures respectively exercise their powers, generally speaking, without restriction. Within their own spheres they have the attributes of sovereign lawmaking bodies. The members who run for election in our Provincial Election which happens once in a while are elected to a certain type of job—The different sort of work that we do is different work involving different powers, a different scope of activity than the sort of thing that is done in the Parliament of Canada. And so it follows that just because some political party happens to be in power in Ottawa, the same people who voted that Party in, might decide that a government in a province was doing such a good job that it should not be disturbed. Any amendment that may be proposed affecting this division of powers might seriously alter the Federal Structure. For instance, if an amendment were made that took the subject of education away from the Provinces and turned it over to the Federal authorities, then my Colleague would be out of a job. But that is just a sample of the sort of problem that might arise if there is ever to be considered any transfer from one field to the other.

Considerations of amending procedure must take this into view, for this is the sixty-four dollar question.

Most of the amendments in the past have not touched substantially upon this delicate question of division of powers. That is why the attitude of the British Parliament has been so acceptable. The problem has not yet arisen in a major form. However, there have been two amendments that have definitely done so. In 1940 the power to legislate for "Unemployment Insurance" was added to the Federal Parliament as one of their exclusive powers. Unemployment insurance up to that time was regarded to be under the general heading of Property and Civil Rights, which is in the exclusive provincial field of legislation.

Now this amendment was passed by the Imperial Parliament simply at the request of the Government of Canada, after the Government of Canada had consulted the heads of all the Provincial governments of the day. The procedure was marked by the greatest informality. Since the measure met with general popular approval at the time, it resulted in no controversy. It was what the general public of this country, whether they thought in terms of provincial or federal legislation, it was something they wanted to do, to have an Unemployment Insurance Act, which would be national in scope, the same for those who lived in one part of the country as for those who lived in another.

In this year of 1951, the Federal Government requested the Imperial Parliament to amend, for the purpose of national old age pension legislation, to provide pensions to all persons of 70 years years of age and over. As a result of this, we had a special session of the Legislature a few days ago to confirm some of the other legislation that flowed from that. This request followed a Dominion-Provincial conference where the Premiers of all the Provinces were present along with the Prime Minister of Canada, to discuss the whole matter of Social Security, and in addition to that, the other matter of constitutional amendments. And this was approved by all the ten provincial governments. There was unanimity on the part of all governments that are partners in Confederation to the amendment of the constitution that was passed a few weeks ago by the Imperial Parliament.

But there was a third amendment, passed in 1949, of a somewhat different nature, and this raises many questions. This gave to the Federal Parliament the power to amend its own constitution, that is to amend the constitution of the House of Commons and the Senate and the way of doing business in that Assembly; and this brought into focus the dangers of our present position in no uncertain way. For this amendment was passed at the request of the Federal Government only, without any consultation of the provinces at all. Now the danger was this—the Federal Parliament, both as to the House of Commons and the Senate, was originally designed, to some extent at least, to reflect the Federal principle. There is provision for a measure of representation in both the Senate and the House of Commons, from all the provinces of Canada, and if an amendment is made that will leave the Federal Parliament free to do anything it likes without any restriction upon the readjustment of representation, it might violate the original principle that was involved in constituting the Senate and the House of Commons in the way they were constituted in the British North America Act, and the provinces might have some interest in an amendment proposed. And this amendment of 1949 left the matter fairly wide open.

If the Federal Parliament could, by a single request, to the Parliament of Westminster (which under the present practice is never denied) if it could vest itself with power to change this whole aspect of its own constitution, and cease to reflect any Federal principle at all, it might conceivably go even further and ask for something else from the Parliament of Great Britain, which would very dangerously encroach upon Provincial powers. It might request a direct encroachment upon provincial powers, and whether that encroachment might be a sound one or whether it would be an unsound one, would be determined entirely by the one body which was elected by the people to do the job, which is described now by the British North America Act. So long as the Imperial Parliament acts merely upon the request of the Federal Government in questions of this kind, the real power of amendment lies in the hands of the Federal Parliament alone, and the Federal principle underlying our constitution may become insecure.

Of course we have also this situation. Very recently appeals to the Privy Council were abolished by Act of the Federal Parliament, and now the sole body to determine questions of overlapping powers between the Federal and the Provincial Governments is the Supreme Court of Canada, which, of course, is appointed by the Federal Parliament. Personally I have no fears that any danger will become of that situation, because I thing that in this country we have reached a point of maturity where we can trust the Bench to decide on judicial questions without fear or favour, and without allowing themselves to suffer from any political influence, no matter from what direction it may come. And much as we may regret the abolition of appeals to the Privy Council, which stood as an arbitrator of our affairs for many years, and won such respect from our own people, nevertheless, I think the stage has been reached where the Supreme Court of Canada may not only be allowed, not only by law but by the sentiment of the people, as the arbiter of all disputes which come up.

It was under the disturbing cloud of this measure, that the Dominion-Provincial Conference met in January, 1950, to consider the broad question of constitutional amendment. Fortunately, an atmosphere of compromise replaced the preliminary tension, because there was no doubt that many Provincial Premiers there thought that the passing of that Act immediately before the Conference was an unwise and rather dangerous thing to do, but nevertheless, as the result of the deliberations, confidence became established very soon.

In the deliberations that ensued, all possibilities were examined, and fully discussed. The general possibilities seem to be narrowing down to rather a few simple points. First, it is generally recognized and agreed that certain fundamental provisions of the constitution should be entrenched, that is that no changes should be made unless there was unanimity as between the Federal Parliament and all Provincial Governments. The guarantees as to schools and language is the prime example of this. It was generally agreed that they should not be subject to amendment except with the unanimous approval of the Federal Parliament and the Provincial Legislatures. Secondly, there may be cases where the amendment may affect the Federal Parliament and perhaps only one province or two or three provinces. It was generally decided that an amendment could be made affecting that group where those Legislatures directly concerned approve. It would be unnecessary to call in all the others to deliberate on something that in a sense was not of their business.

And in the third place—and I may say this of the British North America Act, whereas it lays down general constitution principles and allots certain powers, it contains a great many other sections of a detailed nature dealing with questions of a local nature that were in evidence at the time the Act was passed and at the present day do not concern us. But in the third place, where an amendment affects only the constitution of the Federal Parliament, without interfering with the powers of the legislatures, or with the established Federal principle, if they want to decide on some of their own procedure and change the nature of their own procedure as laid down in the British North America Act, nobody would have any objection to the Federal Parliament to amend that sort of thing themselves. Under our present constitution, provincial legislatures have power to amend the constitutions of their own Legislative Assemblies.

Fourthly, (and this is where the controversy arises) all other amendments it was thought should be possible by enactment of the Federal Parliament along with some adequate majority of the provincial legislatures. The one suggestion that appears to come closest to general acceptance, is a majority of two-thirds of the Provincial Legislatures of provinces having an aggregate population of at least a majority of the total population of Canada. That simply means that a province of small population, or a group of provinces that presently have a small population, even though there might be a majority of the provinces, would not be able to bring about an amendment which would vitally affect some of the provinces with vastly greater populations—that it should be two-thirds of a majority of the legislatures, so long as there was two-thirds of the legislature, representing at least a majority of the total population of Canada. As to all the nine common-law provinces, this proposal, or something very near to it, might gain approval. I think it would, I am sure we would be in favor of that ourselves. There is, however, the special position of Quebec that raises certain important questions as to the application for such a formula.

We of the common-law provinces share the inheritance of the English Common Law, of the English Civil Equity. The term "Equity and Civil Rights" that appears in the British North America Act, and in our minds in Ontario, and in the other Common Law Provinces, is something that we think of amongst ourselves very much in a similar way. The people out West and the people down East, and ourselves, think alike as to property and civil rights, because our system of Law is very much the same. We do not perhaps regard any prospect of amendment that might transfer some portion of this sphere of jurisdiction to the Federal Parliament for some purpose that we may consider to be in the national interest, to raise any serious danger. In Quebec, however, the viewpoint is quite different. It is of vital importance that we in Ontario and in the other provinces, should understand this viewpoint, and appreciate it. In Quebec they do not take the prospect of constitutional change lightly. They regard the British North America Act as a guarantee of certain fundamental rights that should not be violated by any majority of the other provinces, because it was upon the faith of this that Quebec agreed to enter Confederation, because they believed that property and civil rights, which to them was one of the fundamental rights, was so bound up with the Quebec civil law and their way of life, would be assured to them. They believed that the British North

America Act assured this to them. If, then, a majority of the provinces, even representing a majority of a majority of the whole population of Canada might conveivably consent to a change designed to take away any of these rights which they regard as fundamental, such a procedure would not be acceptable. Quebec, on the other hand, is fully aware of the necessity of some step that will "domicile" (which is the word that has been used in this connection) our constitution in Canada, so that we will have complete control of amendments under some procedure to be set. Quebec fully appreciates the desirability of some procedure for amendment. Indeed, Quebec agreed to the last amendment of 1951, providing for national old age pensions, and there are other amendments which Quebec has not objected to at all. Quebec is not unalterably opposed to amendment, but Quebec is somewhat cautious of what amendment should be allowed, this was in spite of the fact that some encroachment on property and civil rights, was because the old age pension is a contributory scheme, and to that extent an infringement on property and civil rights, but Premier Duplessis also is fully aware of the far-reaching importance of any commitment to a procedure that might render the constitution too flexible for safety. Although a procedure for change must come, and although the procedure should be flexible enough so as to have some practical value when a change is desired by the vast majority of our people, constitutional change should not be made too easy. This is especially so in Canada, where our constitution has stood the test for so many years and has proved reasonably flexible within itself without the necessity of more than a handful of relatively minor amendments. Major changes should not be made unless all governments have had full opportunity of considering them, and the opposition to them is relatively small. The caution with which Quebec approaches the constitutional question is in many respects a sound and admirable caution. Let us not hastily make it possible too easily to damage, even with the best intent, the well tried instrument that we already have. For although the British North America Statute was the legal device whereby it became effective. As a constitution it is is and always has been a Canadian free negotiations of Canadians in Canada. The Imperial Act is an Imperial Statute, its terms were settled by the constitution. If we are to ask ourselves "what is wrong with it?" the only answer is, we have devised no fully satisfactory way of amending it ourselves. If we can achieve this we shall have cured its only major defect. For if there are other defects, by amendment we shall have the power to cure them also.

When we review the events of the last eighty-four years, we may marvel at the extraordinary phenomenon of this Dominion steadily going forward into the front rank of nations. For we have accomplished those things that we have set out to do under a statute passed by the Imperial Parliament in 1867. We have governed ourselves through free institutions under the authority of a statute that we have no legal power to change. When changes have been made, we have sought further statutes from the Imperial Parliament, and they have been passed, without question, and without controversy. The time has now come when some more final solution of this peculiar situation must be found. Yet, there are very few people in this Province who regard the position worth more than a passing thought. It is true, nevertheless, that the position is an anomolous one. It is true that it is not a wholly satisfactory one. It is right that we should continue to negotiate with caution and with foresight towards a sound formula for settlement. Yet, as we look back upon the life of our nation in relation to the fundamental law of our constitution, we see revealed a supreme example of political genius. Before this constitution was adopted we were divided—we are now one nation. Before, we were weak and the future was uncertain. We now are strong and the future is bright. Whatever may be the many contributing causes of our progress, one is the wisdom and the common sense that produced the British North America Act. Another is the wisdom and the common sense of the

Imperial Parliament in dealing with amendments as they came forward from time to time. Truly may it be said that the sufficiency of our constitution for the last eighty-four years is in no small measure due to the fact that we remain Canada within a united Empire.

THANKS OF THE MEETING were expressed by Major Gladstone Murray.

"THE CASE FOR THE ST. LAWRENCE POWER PROJECT"

An Address by

ROBERT HOOD SAUNDERS, C.B.E., K.C.
Chairman, The Hydro-Electric Power Commission of Ontario

Thursday, October 11th, 1951

CHAIRMAN: The Third Vice-President, Mr. John Griffin

MR. GRIFFIN: Members and Guests of The Empire Club of Canada: Our speaker today is Mr. Robert Hood Saunders, Chairman of The Hydro-Electric Power Commission of Ontario. Born in Toronto 48 years ago of United Empire Loyalist stock, he has pursued a remarkable career of public service in his native city. Between the time of his graduation from Osgoode Hall Law School and his entry into private legal practice in 1928, our speaker gained a broad financial experience in the banking field which was to be of great value to him in the years of public life that lay ahead.

In 1934 Mr. Saunders entered municipal politics where his career ran in an interesting series of fours. He was an alderman for four years, a Controller for four years and, as we all know, was elected Mayor of Toronto four times in a row.

During his fourth year as Chief Magistrate of the Queen City he was prevailed upon to accept the vital post of Chairman of The Hydro-Electric Power Commission of Ontario, which position he still holds. He has devoted himself wholeheartedly to this task at a time when Hydro was expanding as never before under the impetus of the tremendous growth in industry during the post-war period. Mr. Saunders last addressed this Club in January, 1949, when he reported to us on the great development that was taking place in Hydro. Today he is to talk to us on the greatest project of them all—harnessing the mighty St. Lawrence. I am told that Mr. Saunders possesses great ability as an amateur chef so I think he might have entitled his address today "What's cooking at Hydro".

MR. SAUNDERS: Mr. Chairman and Fellow Members—For the third time since assuming the Chairmanship of the Ontario Hydro, I have the honour of addressing the Empire Club. I can assure you that it is an honour I esteem highly, realizing as I do your prominence in the business and economic life of our Province. As you know, I welcome every opportunity of telling the great story of Hydro in Ontario—a story so thrilling that every one of us must surge with pride when we recall the stirring battle waged by Sir Adam Beck and his associates in turning a dream into a living reality.

Since I first spoke to you in March, 1948, I have travelled well over 200,000 miles in this Province by plane, train and motor car (incidentally over 90,000 of these miles by motor car)—It has been my privilege to visit every section of the Province—to sit down with local Commissions and discuss their problems at first hand—to visit towns, villages, farms, factories, mines, pulp and paper mills, industrial and commercial establishments in every part of this vast Province—I have been truly able to see and study Ontario at work.—I am convinced that the people of Ontario can look forward to a great and prosperous future. Nothing can stop the industrial growth of this Province but one thing—our own lack of preparedness.

Let us look back just 40 years. In a very real sense, gentlemen, Sir Adam Beck was an "empire builder". He envisioned Ontario as a great industrial empire, drawing its strength from a well-stocked reservoir of low-cost power. He saw Ontario as the centre of a great experiment, with every home and every farm brought within the reach of Hydro power lines—a place where the potential energy of falling waters could be harnessed to make a richer, better way of life for all. As we look back across the years and study the growth of our Hydro system to its present status of a billion dollar enterprise, with 1,132 municipalities welded together in a virile partnership, we realize the tremendous debt we owe to Sir Adam and those who fought at his side to protect the future of this Province.

We look back less than 40 years when Sir Adam was fighting to build the plant at Queenston (now The Sir Adam Beck No. 1 Generating Station). He was again seeking to protect the future of his Province—seeking to give the people of Ontario a higher standard of living—let me quote a statement he made in 1923.—"I am the servant of the people. My greatest joy is to make the lot of everyone within the range of my work and influence brighter and better. If I have helped to lessen the cares of the housewife by making electricity her servant, I have my reward. If I have helped the farmer to make life more attractive to the boys and girls on the farm, then I have not labored nor have you co-operated with me in vain. If I have helped to save the life of any afflicted child or lengthened the days of any afflicted, I am happy".

What a great contribution Sir Adam made to the people of this Province.—

To our industries, homes on the farm and in the city—low-cost power in abundance.

In 1911 we supplied— 15,200 Horsepower
In 1920 " " — 490,880 "
In 1930 " " —1,377,300 "
In 1940 " " —2,116,600 "
In 1945 " " —2,597,400 "
In 1950 " " —3,659,900 "

Our whole economy has been revolutionized—we have changed from an agricultural Province to one of the foremost manufacturing centres of the world.

Back in 1933 the value of manufactured products
totalled —$ 958,776,858
In 1939 — 1,745,674,707
In 1945 — 3,965,069,021
In 1947 — 5,069,677,887
In 1949 — 6,359,820,550
In 1950 — 6,500,000,000 (estimate)

Increase in the value of manufactured goods over 1945—63.9 percent.

Increase in Hydro's dependable capacity over 1945—40.9 percent.

These figures show in a very tangible way the tremendous and vital importance of electricity in the economy of this Province.

Sir Adam worried about our homes, in the city and on the farm.—

Since 1945 our Domestic Consumption has increased by 97.4 percent.

Back in 1921 there were only 55 rural customers in Ontario served by some 6 miles of distribution line—By 1939 we had 111,531 rural customers on 17,706 miles of distribution line—today, we are serving more than 310,000 rural customers over 36,300 miles of line.

In 1928, we sold power to farmers at 5.18 cents per kilowatthour. Now the average rate is 1.85 cents per kilowatthour. In 1928 farmers used an average of 96 kilowatthours per month. Now they are using 266 kilowatthours per month.

It will be seen that the cost of power to farmers during this period has decreased by 64 percent. That is, the cost of power is just over one third of what it was in 1928 and the average consumption by farms during this period has increased nearly threefold.

It is also interesting to note that the cash income from sale of farm products is now more than two and one half times the 1928 figure.

Yes, gentlemen, Sir Adam's dream has actually become a living reality—Electricity is the farmer's greatest hired man and actually does take the drudgery out of life.

I have come to appreciate the indispensable role of electric power in spearheading Ontario's expansion. Electricity is the driving force that is carrying Ontario forward to new heights of achievement. There is no commodity as vital to our economy, our production, our employment—yes, our defence—as is electricity at low cost available wherever and whenever it is needed.

We have, with difficulty, been able to meet the demands of the past few years. Since the end of the war, we have brought into service over 1,112,700 horsepower. We are meeting the demand wherever and whenever it is needed. Your Hydro has tapped every economically available large scale generating site.

The demand is being met. But what of the future?

Our duty to the people of this province is to protect that future—to prepare for the tremendous power demands to come.

We believe that in completing our $880,000,000 post-war program of new generation, transmission, and transformation our province is protected until the end of 1956.

On October 26th next we hope to officially open the Richard L. Hearn Steam Plant at Toronto—eventually and by the end of 1952 or early 1953 this plant will generate 400,000 kilowatts (536,000 horsepower) at 60 cycles. In November next, we open the J. Clark Keith Steam Plant in Windsor—eventually and in 1953 this plant will generate 356,000 horsepower. In December, the first and second units of the Otto Holden plant at LaCave—eventually 257,000 horsepower. In 1954, we hope for 300,000 horsepower from Niagara with a further 400,000 horsepower in 1955—we anticipate soon commencing the second tunnel at Niagara to take care of 1955 and 1956. Yes, gentlemen, 1,112,700 horsepower since 1945, another 1,817,000 horsepower by the end of 1956.

This tremendous amount of power will be needed and actually in use by the end of 1956 and still no reserve for protection in case of low water, breakages or other conditions beyond our control. We must realize the tremendous demands made upon us and our great responsibilities to the people of Ontario—On just Tuesday of this week—we carried a primary load 386,315 kilowatts (415,086 horsepower) greater than on the corresponding day last year, an increase greater than the City of Toronto's average load, including Leaside, last year by 24,315 kilowatts or 32,420 horsepower. On Tuesday we carried a primary load which exceeded the same day two years ago by 682,233 horsepower, an amount greater than the combined Toronto, Hamilton and Leaside average loads last year.

I repeat—up to the end of 1956 has, we believe, been protected—

What of the future beyond 1956?

More power will definitely be needed—This province will not stand still—It is Hydro's duty to protect Ontario's future—to provide the power. Hydro, I assure you, will provide the power.

The real question is—

Will Hydro supply low-cost power as it has in the past? —The answer is very definitely—Yes, if we are able to harness the falling waters of the St. Lawrence—if this right is not given, then, gentlemen, the power will still be supplied—but from steam plants at about 3 times the cost of production.

Every available large natural source of power, within economical distance, has been, or is now being harnessed for the benefit of the people of Ontario. Up to the present and for the next five years we shall be able to give our people power in abundance at low cost—just two weeks ago I was able to point out that the average domestic cost per kilowatthour (taking all municipalities) was 1.28 cents in 1938 compared with 1.04 cents in 1950 —a decrease of 18.75 percent; further, that this average cost would be lower this year and the estimated decrease compared with 1938 would be 19.24 percent—Right here in Toronto—the average monthly bill in 1938 based on 250 kilowatthour consumption per month was $3.78 compared with $3.02 this year, a decrease of 20.1 percent. Food during the same period increased in Toronto by 127 percent. The farmer today pays an average of 1.87

cents per kilowatthour compared with 2.52 cents in 1938—a decrease over the 13 years of 26.7 percent.

Yes, gentlemen, your Hydro has supplied power in abundance at *low cost*—We shall supply the power in the future but to supply it at low cost depends on our right to develop the St. Lawrence.

Let us please all realize that the greatest single need in Ontario is the right to harness the falling waters of the St. Lawrence River.

As a citizen of this country I am convinced, after very detailed study over the past many years, of the great necessity of the seaway in relation to industrial expansion and the life of this Province. I subscribe to the statement made by William Lyon MacKenzie, the rebel of 1837 and the first Mayor of Toronto, that one of the aims of his provisional government was, and I quote, "the opening of the St. Lawrence to the trade of the world so that the largest ships might pass up to Lake Superior and the distribution of the wild lands of the country to the industry, capital, skill and enterprise of worthy men of all nations".

I subscribe to the statement made to this Club on November 3, 1910—41 years ago—by Major George W. Stephens, President of the Montreal Board of Harbour Commissioners. In one of his references to the St. Lawrence, Major Stephens said, and I quote: "In the possession of this great national asset, into which has gone the genius, the courage and the money of the Canadian people, Canada has unquestionably within her midst the cheapest and most efficient national trade route on this continent".

I have also studied Canada's ability to build the seaway and I am convinced of this, that Canada can not afford to continue without the deepening of the channels in the St. Lawrence River. In the interests of her own economic expansion and her own industrial expansion, Canada must have the St. Lawrence seaway. Therefore, I was indeed particularly happy to be told by our highly-efficient Prime Minister of Canada that he believes that Canada can and should proceed with the construction of the seaway—alone if necessary.

As evidence of Canada's determination to get on with the job of making the St. Lawrence a reality, the Throne speech introduced at the current Session of Parliament heralded the setting up of a Crown company to handle this gigantic project.

But, gentlemen, important as the seaway might be, it fades into the background when one considers the tremendous importance of the St. Lawrence power project to the life of this Province. Our industry has been built on the basis of low-cost electric power in abundance. The extent to which electricity is used in our homes shows that the people of Ontario enjoy the highest standard of living in the world.

Per Capita Annual Consumption—1950

New York State	— 1,986	kilowatthours
Pennsylvania	— 2,286	”
Michigan	— 2,404	”
Ohio	— 2,766	”
Ontario	— 3,933	”

Let us look at the Domestic Consumption exclusively—

Average annual consumption (entire United States) 1,830 kwhrs. (increase over 1949—8.7%)

Average annual consumption — Ontario Hydro — 3,640 kwhrs. (increase in 1949—15.8%)

These figures, recognizing the important role played by electricity, show in a very tangible way that the people of Ontario enjoy a standard of living unsurpassed anywhere in the world.

The vital question concerning Ontario Hydro at this time is "must we add to our steam generating facilities?"

This great question must be answered by your Hydro in the very near future. If assurance is not given to us within the next few months that we can go ahead with the St. Lawrence, then it will be necessary to build additional steam plants.

Yes, my friends, we are standing at the crossroads. We can provide power in abundance. But the question is—will it be low-cost power or will it be necessary to plan for steam power at three times the cost of hydro-electric

CANADA
CKEY

October 11th: Robert H. Saunders with John Griffin, Third Vice-President and Mayor Hiram McCallum power? Make no mistake about it, gentlemen, the pattern of our economy will inevitably undergo a change because that additional cost will have to be borne by the people of this Province and, particularly, by the people of Southern Ontario.

Examine for a moment the cost factors—

Under the terms of the St. Lawrence Agreement of 1941, in conjunction with the seaway, we can generate electrical energy at a cost at the plant of 2 mills per kilowatthour. Under the joint power scheme, which excludes immediate construction of the Seaway, we could produce electrical energy for three mills per kilowatthour. The St. Lawrence would provide us with 6 billion 300 million kilowatthours of electrical energy per year. Simple arithmetic tells us that St. Lawrence power could be supplied to the people of Ontario—to our industries, our homes and our farms—at a cost of 6 billion, 300 million times 2 mills or $12,600,000 per year at the plant.

The 1948 proposal, which provided for the building of the power development alone by New York State and ourselves, would cost 6 billion, 300 million times three mills or $18,900,000 per year at the plant.

If the St. Lawrence development is not allowed, this power simply must be supplied in some other manner, that other manner is steam.

We can obtain 6 billion, 300 million kilowatthours a year of dependable electrical energy through steam generation. But you can readily appreciate that this would not permit Hydro to continue its policy of providing low-cost power to our people.

Our steam experts have estimated that dependable power from an equivalent steam plant for the production of 6 billion 300 million kilowatthours per year would cost 7-1/4 mills per kilowatthour. Remember, gentlemen, that this threefold increase in cost would have to be passed on to you. Of this total cost, the fuel cost alone is estimated at 3.6 mills per kilowatthour which would require a purchase of 2,680,000 tons of coal annually at a cost of $22,700,000, which under today's conditions would come from the United States.

What does this mean, gentlemen?

It means that the cost of power to our Ontario industries must, of necessity, go up, if the St. Lawrence development is denied us.

How would this increased cost of steam power affect your rates? To be able to answer this question, I have prepared costs of electricity in several of our municipalities with costs in cities of comparable size in the United States, cities which have to depend in whole or in part on steam-generated electricity. These figures will show you, folks, as they have shown me, how strikingly low is the cost of electricity in Ontario in comparison with these other centres. Gentlemen, we can hardly avoid similar high rates in Ontario if we are forced to augment our present power resources with more steam generating plants. Let's examine these figures—

City	*Population*	*Average Cost per Kwhr. to Consumers Using Lighting, etc. Refrigeration and Cooking Based on a Monthly Consumption of 250 K.W.H.* *Cents*
Western Region		
London, Ontario	94,027	1.132
Windsor, Ontario	121,011	1.196
Flint, Michigan	151,543	2.380
Lansing, Michigan	78,753	2.452
West Central Region		
Brantford, Ontario	36,532	1.116
Hamilton, Ontario	196,246	1.132
Mansfield, Ohio	37,154	2.960
Dayton, Ohio	210,718	2.876
Niagara Region		
Niagara Falls, Ontario	21,737	0.956
St. Catharines, Ontario	37,543	1.160

Middletown, N.Y.	21,908	3.660
Auburn, N.Y.	35,753	2.804
Toronto Region		
Toronto, Ontario	667,487	1.208
Buffalo, N.Y.	575,901	2.012
Cincinnati, Ohio	455,610	2.360

Let us not believe that this power will be surplus— Remember, please, that our peak load carried in Southern Ontario alone last Tuesday was 3,015,684 horsepower. Compared with one year ago this load was greater by 519,323 horsepower—nearly one half of the 1,100,000 horsepower, our share of the St. Lawrence.

Hydro's motto—shown on our coat of arms reads— "DONA NATURAE PRO POPULO SUNT"— The gifts of nature are for the people.

Surely it is a negation of Democracy to think that a few people, for their own selfish reasons, can prevent this great gift of nature from being used for the benefit of the people.

Two hundred and forty-six thousand cubic feet of water each and every second falling a harnessible 87 feet with a drainage area of 303,000 square miles—going to waste!

Gentlemen, we are extremely grateful to the Rt. Hon. Louis St. Laurent, to the Hon. Leslie Frost and their colleagues for co-operating with your Hydro in seeking to obtain for the benefit of our people this great gift of nature.

THANKS OF THE MEETING were expressed by His Worship, H. E. McCallum, Mayor of Toronto.

"CANADA & THE UNITED STATES — PARTNERS IN FREEDOM"

An Address by

JOHN J. HOPKINS
Chairman and President, Canadair Limited

Thursday, October 18th, 1951

CHAIRMAN: The President, Mr. D. H. Gibson.

MR. GIBSON: It is an honour to introduce to the Empire Club a distinguished American industrialist who has been steadily seeking to achieve better and closer relations between Canada and the United States, and to do this by improving the confidence and understanding between the businessmen of our two countries. Even before mutual danger and threat drew the defence efforts of Canada and the United States closer together, Mr. Hopkins was working toward this end.

As the Chairman of the Board and President of Canadair Limited of Montreal and of Electric Boat Company of Philadelphia, I am sure you will agree that your speaker can talk with authority of the subject he has chosen, "Canada and the United States — Partners in Freedom".

The Electric Boat Company has been awarded the first contract in history for the building of atomic-powered submarines. The need of secrecy will preclude much information from Mr. Hopkins on this intriguing development.

A graduate of the University of California and of Harvard Law School, he has had the honour to be Assistant Secretary to two Secretaries of the United States Treasury.

Gentlemen, it gives me great pleasure to present to you: John Jay Hopkins, Chairman of the Board and President of Canadair Limited, and President of Electric Boat Company.

MR. HOPKINS: In the dark stream of events affecting our two countries during the past six years, we have watched the distant and indistinct threat of 1945 and 1946 develop into a menace which now seems to be always with us. It is a threat that is still mounting and that shows no sign of receding, as many have hoped it would.

During this tension, which we share in common, it happens that I have personally been honoured to come into closer contact with—and to develop a high appreciation for—the Canadian people. I have come also to entertain a great respect for the tremendous industrial potential of this country.

I have mentioned the years 1945 and 1946. I was no stranger to Canada before then, for as early as the turn of the century, when a small boy living in Iowa, I witnessed a great migration from our Middle West farm states to the rich wheat lands of Manitoba and Saskatchewan. But it was in those more recent years that my awareness of Canada's industrial possibilities became crystallized into action. And this is how it came about:

Your government was at the time having some difficulty finding a qualified firm able and willing to make the necessary investment of funds, and equipped with the organizational capacity and technical skills required to place on a profitable peacetime basis under private ownership, Canadair Limited, the great government owned aircraft manufacturing enterprise then operated by a management firm of that name.

Canadair, built during World War II, had served its defence purpose well; at its peak more than 20,000 men and women had been employed there. But no Canadian industry or group of industries could be found seriously interested in taking over the huge establishment at the outskirts of Montreal and continuing it as a going concern. There was even some idea then of turning it into a warehouse or an automobile assembly plant. Happily, however, my associates of Electric Boat Company shared my feeling that our two countries should maintain their defences, and supported my own confidence in Canada as a site for the necessary industrial production. Canada's future as a centre of international aviation was obvious. Our acquisition of Canadair Limited was the result.

You are familiar with the rest of the story. The four-engine Trans-Canada Air Lines, Canadian Pacific Air Lines, and Royal Canadian Air Force 'North Star' and 'Canadair Four' transport planes which have achieved a safety record unmatched by any other civil transport, as well as the British Overseas Airways 'Argonauts', were manufactured there. The Royal Canadian Air Force is now being equipped with Canadair built jet fighters—for the F-86 'Sabre', recently dubbed by one of your magazine writers 'Canada's Sunday Punch', is in quantity production at Canadair. Large orders have also been placed with Canadair for T-33 jet trainers for the R.C.A.F., and for the newly designed T-36 advanced trainer transports for the United States Air Force. This last order is an American defence contract to obtain which we exerted every effort for many months, for it will help Canada's U.S. dollar situation most substantially. Moreover, Canadair's engineering design staff was given top rank in the design competition which preceded this order.

We now foresee the early employment of 18,000 Canadians at Canadair and would not be surprised if the plant's wartime record of over 20,000 were broken.

Our submarine plant is busy and in addition to other submarine design, conversion, and production work on hand, Electric Boat Company has recently had the honour of being awarded a contract by the United States Navy for the production of the world's first nuclear-powered submarine.

I mention these things briefly to show how I am personally engaged in defence production, and especially to prove the sincerity of my statement that I have the right to speak with knowledge of the worth and magnitude of Canada's manufacturing ability. Like many other Americans my thinking has progressed far beyond the stage of considering Canada only in terms of her immense store of raw materials.

I say 'many other Americans', because about 20% of the capital invested in Canadian industry comes from the United States. May I suggest that that significant proportion clearly demonstrates American faith in Canada's economic future. Personally, I think your prospects for the future transcend your own most extravagant dreams, and I hope American investment will continue to help carry you forward. I often like to think that this is a form of reciprocity with the British Commonwealth, a continuance or closing of the development circle of this Continent, which began in earlier years when English capital flowed into the United States at a time when we were at about the same stage of capital growth at which you now stand.

Because of this personal understanding of Canada's productive capacity and of the remarkable industrial contribution she can make, I approach the subject of the industrial phase in the joint defence of Canada and the United States with deep seriousness—and, in a certain sense, humility.

We who have accepted the responsibility for industrial production in Canada and the United States should be humble, because this matter of pooling the industrial strength of our two countries is so important that it can write the ultimate destiny of the whole free world. The industrial power we put behind our armed services, as in World War II, will be a master key to triumph if all-out war should break upon us. The effectiveness with which Canadian and American scientists, engineers and production men now co-operate, can guarantee security and win a lasting peace for this free world.

We have cause for optimism. Relations between our two countries have never been better than they are today. The people of the United States have always held Canada and Canadians in the highest respect, and, in my actual experience, I know this attitude is reciprocated here in Canada. After all we spring largely from the same antecedents, our talents and resources are very much on a par. In the political sphere the pattern has been woven: it exhibits our two countries as partners in one of the most rewarding international associations in world history. Fortunate it is that that is so, for unquestionably our countries comprise the solid backbone of the North Atlantic Treaty Organization. And NATO is the Western world's rejoinder to the obvious Communist programme, which aims at wiping all semblance of individual freedom from the face of the earth.

Would there have been any North Atlantic Treaty Organization without Canada and the United States? And without NATO would there have been any effective anti-Communist organization anywhere? I believe all in this room would give a common answer to this question.

We face a common peril. It is the steadily growing threat of aggressive, militant communism—a sinister, tireless, evil force that is striving for world domination. The Soviet Union is acquiring great industrial 'know-how', through her own able scientists and technicians, as well as through the virtual enslavement of eminent German engineers and production experts. These unfortunate and valuable men were hunted down, carried off to Soviet labour camps and required to work on designing and producing Soviet war material. And the product of Skoda in Czechoslovakia and of some of the great plants of Eastern Germany is good. Make no mistake about that. For instance, our Americans and Canadians in Korea have a great deal of respect for the flying capabilities of the Soviet jet-fighters such as the MIG 15.

In this situation and faced, as the world is today, with no fewer than eight hundred million people under the domination of and obeying the behest of their masters in Moscow, no country can go it alone. All the free nations must join together for mutual defence.

As far as Canada and the United States are concerned, might not our mutual need be reduced to this:

Canada welcomes American technical ability, financial resources, and the practical association of America's armed might. In turn, the United States needs the rapidly mounting industrial strength of Canada—needs Canadian natural resources and Canadian talents. Sometimes it seems to me that the United States has in the past drawn too heavily upon your youth in the professions, who fortunately are now, more and more, making their careers in the rapidly growing industries of their own homeland. The soundness and the keenness of Canadian thinking are something for which we Americans have a profound respect. To these things add Canada's armed aid on the vulnerable northern frontier—or wherever else required.

As your Prime Minister, Mr. St. Laurent, said recently, the United States and Canada are 'inseparable partners in the fight to uphold freedom.' Even more than that, so many other countries look to us for leadership and for aid in the form of defence materials, that we are also inseparable partners in world affairs. We did not ask for this leadership, but I am sure that none of us will shirk the responsibility which that condition vests in us.

Our response to the joint peril which we all face is our joint defence programme, which recognizes clearly our inescapable military interdependence. And the handmaiden of 'military interdependence' in defence matters is 'industrial interdependence.' You can't talk of one without the other. In both respects we are traveling a well marked trail, because co-operation and interdependence in defence matters have already been affected with marked success in the conduct of the relations of our two countries during World War II. I refer to the founding of the Permanent Joint Board on Defence in August, 1940, and to the statement of principles enunciated at Hyde Park, New York, on April 20, 1941, by President Roosevelt and Prime Minister Mackenzie King, and thenceforth known as 'The Hyde Park Agreement.'

In briefest outline, the major principles set forth in the Hyde Park Agreement were:

1. That the war production programme of our two countries should be co-ordinated on the basis of specialization in items each was best able to produce.

2. That as heavy U.S. purchases as possible should be made in Canada, with a view to relieving the Dominion's exchange problem.
3. That Canada's 'Mutual Aid' and the United States' 'Lend Leace' should be meshed by charging to the United States the cost of the U.S. dollar components in material sent to Great Britain by Canada.

And it is well at this point to take note of the fact, in which Canadians take justifiable pride, that Canada alone among the United Nations never sought nor received Lend Lease from the United States. On the contrary, Canada produced three times her own wartime requirements, sending some 70% of her production to other allied countries as 'Mutual Aid.'

The spirit of the Hyde Park Agreement prevailed throughout World War II, and in consequence Canada actually had a favourable balance of trade with the United States for most of the war period. Total sales of war equipment between our two countries amounting to about 5 billion dollars were consummated between 1940 and 1945.

After the end of hostilities these same principles were extended with diminishing force to cover the 'reconversion' period in the economies of the two countries. The so-called 'agreement' (which actually was only a joint declaration of policy by the President and the Prime Minister) was never formally terminated.

The present national leaders of both the United States and Canada have confirmed the intention and spirit of the Hyde Park Agreement. In an address in June, 1947, before the Canadian Parliament, President Truman stated:

> 'The example of accord provided by our two countries did not come about merely through the happy circumstances of geography. It is compounded of one part proximity and nine parts goodwill and common sense.'

Mr. St. Laurent, addressing the Canadian Society of New York last year, said this:

> 'The Hyde Park Agreement involved no gifts, no loans, no charity—nothing but plain business sense. And we in Canada cannot see why a business arrangement which produced such good results for both countries in war should not produce equally good results in providing security during this period of cold war.'

Nevertheless, it needs no word from me to bring to the notice of any group of Canadians such as yourselves the fact that in the earlier stages of the present defence programme the implementation of the principles of the Hyde Park Agreement was not entirely satisfactory.

One reason for this state of affairs—namely, the relatively small scale of purchases by the United States of defence equipment which Canada was ready and able to furnish and which would have provided Canada with the U.S. dollar exchange for an expansion of her purchases of essential equipment from the United States—was the 'Buy American Act.' I shall mention this at some length because it is the key to the problem of reciprocal defence purchases insofar as the United States is concerned, and because its true status is not well or widely understood.

In the first place, the 'Buy American Act' is not the official title of any bill but a public catch phrase referring to one section, a 'rider', of a Treasury and Post Office appropriation bill for the fiscal year 1934. In effect it provides that goods acquired for public use inside the United States must be of United States origin unless the head of the government department concerned shall determine this to be inconsistent with the public interest or the cost to be unreasonable, or unless the goods are not available from United States sources.

During the 1934 the procurement offices of all United States Government Departments, including the military establishment, adopted as an administrative working rule the principle that in deciding the 'reasonableness' of the cost of domestic products as compared with imports under the 'Buy American Act' a differential of 25% should apply on foreign purchases. This differential would normally pretty much exclude purchases from Canada as well as many other countries. Deviations from this 25% rule could be made 'in the public interest', but the decision to make such deviations could be made only by the head of the department concerned who then was faced with the necessity, usually political in nature, of justifying his decision.

The 'Buy American Act' was passed right after the depths of the business depression of the early 1930's when the government was subjected to great political pressures looking to the preservation of every domestic market for United States manufacturers. It is manifest that it was by no stretch of imagination ever intended to be an obstacle to that integration of the defence production programs of Canada and the United States which is called for by the current international situation, and that the discretionary power vested in the heads of the government departments could and should have been applied to exempt purchases of defence materials under reciprocal agreements with friendly nations. Nevertheless, for the most part it was not in practice so construed except during World War II and immediately thereafter, and the 'Buy American Act', as administered with a 25% differential applicable to imports, effectively blocked purchases of defence materials in Canada by the United States military establishment.

Ever since the inception of our present expanded defence programme it has been abundantly apparent to all in the United States who are conscious of Canada's tremendous production accomplishments in World War II, that all practicable steps should be taken to make full use of the Dominion's industrial potential. This became even more manifest with the undertaking to integrate the use of weapons in the armed services of our two countries. Moreover, informed Americans are conscious of the fact that reciprocal defence purchases, as affected under the Hyde Park Agreement and as presently contemplated, impose no burden on the United States but instead represent a mutually advantageous arrangement.

There have, therefore, been many sincere and patriotic Americans who have sought to encourage reciprocal defence purchases. Since passage of new legislation to this end would have been difficult to secure, the activity has taken the form of encouraging measures to strengthen the hand of the Executive Departments of the United States Government in availing themselves of the discretionary authority given them under existing legislation.

Progress, as you know, has been made.

On May 18th, 1950, the then Secretary of Defence, The Honourable Louis A. Johnson, announced that the United States military services had been directed to develop a programme under which fifteen to twenty million dollars worth of military equipment would be bought in Canada each year.

On July 27th, 1950, the Executive Departments were strengthened in their exercise of their discretionary powers by a statement made on the floor of the Senate by Senator Elmer Thomas of Oklahoma, Chairman of the Subcommittee on Defence of the Senate Appropriation Committee, to the effect that no amendment of existing law was necessary because purchases made under reciprocal agreements with friendly nations were well within the authority granted by the 'Buy American Act.'

On April 12th, 1949, when international conditions appeared increasingly threatening, there was established the Joint Canada-United States Industrial Mobilization Planning Committee to exchange information in case joint action should again become necessary. That Committee drew up a 'Statement of Principles for Economic Co-operation' between Canada and the United States, and on October 26th, 1950, the 'Statement of Principles' was officially confirmed by an exchange of notes between the two countries. It is now known as the Washington Declaration. It reaffirms, in essence, the Hyde Park Agreement of 1941, providing, in brief:

> "That our two governments shall co-operate in all respects practicable, and to the extent of their respective executive powers, to the end

> that the economic efforts of the two countries be co-ordinated for the common defence and that the production and resources of both countries be used for the best combined results.'

The significance of this Statement of Principles was well measured by The Right Honourable C. D. Howe, then your Minister of Trade & Commerce, and now Minister of Defence Production, who commented:

> 'Tradionally Canada and the United States march side by side in time of war. The fact that in the field of military production we will march together in an effort to prevent another war will be reassuring to the peoples of both countries.'

Its practical effect is illustrated by the fact that on November 8th, 1950, the United States National Production Authority announced new regulations extending to Canadian business firms, engaged in either Canadian or American defence work, materials' priorities theretofore accorded only to United States firms. Canada at the same time assured the United States that American defence orders would receive the same treatment as Canadian the priority ratings of the two countries to have equal standing in either country.

More recently, General Marshall, then Secretary of Defence, announced that each of the American Defence Departments—Army, Navy and Air—had been asked to examine its needs with a view to purchasing up to $100,000,000 of its requirements in Canada—a total of $300,000,000 to be spent in Canada in the fiscal year ending June 30th, 1952.

I believe this record gives tangible evidence not only that the will exists—but also that we think we have found a way to implement a programme of reciprocal defence purchases on a mutually beneficial basis.

With the best of intentions and despite the merit of the cause, the results thus far accomplished would not have been achieved without staunch support from many quarters, and not the least of these has been the Canada-United

States Committee of the Canadian and United States Chambers of Commerce. I speak of this group because, as an active member in its American Section, I have knowledge of its work, and because I think it appropriate that you should know something of the important part played by the Committee, and the distinguished members of its Canadian Section, in this field of reciprocal defence purchases.

The subject is one which logically and properly comes within the purview of the Canada-U.S. Committee, established by the two Chambers of Commerce in 1933 to consider problems of mutual interest in the economic field, and the members of the Canadian Section, under the chairmanship of Mr. Gordon Cockshutt of Brantford and now of of Mr. C. Bruce Hill of St. Catharines, have been indefatigable in presenting the Canadian viewpoint. The Committee as a whole, being composed of practical and experienced men of affairs in the business fraternity of both our countries, is uniquely equipped to appraise the merits of the issue as a practical problem. At its meetings at Asheville, N.C., in April, 1950; at Banff, Alberta, in September, 1950; and at Irvington, Virginia, in April, 1951, the Committee adopted resolutions in favour of implementing the integration of the defence efforts of our two countries which subsequently were approved by the Chamber of Commerce of the United States and became the official policy of that great organization. The United States Chamber has with full force and vigour advocated their implementation in all appropriate quarters.

It is difficult to measure cause and effect in these matters, but I can assure you that the work of the United States Chamber in this area was productive of much good and was appreciated by the government authorities.

Indeed, the whole story is one of constructive co-operation, and representative of the best that can be accomplished by men of good will who serve in a just cause. But the situation is still such that the business groups of both Canada and the United States must keep constantly on the alert.

To return to the job of meshing our two economies, there is also the matter of standardization of arms. Regarding the one-weapon plan, there will be vexing problems always—such as, currently, the rifle. But to me this first of all means co-operative development work for future equipment. Combined thinking should start at the outset, with the original design of the equipment.

There are already excellent illustrations of the kind of co-operation and standardization we require—and also proof that all Americans are not so pleased with themselves as to think that they alone have the total sum of engineering 'know-how' and designing brains. British jet-engines, such as the Rolls-Royce 'Nene.. and the Armstrong Siddeley 'Sapphire', are now being produced as basic items in the United States. The American Glenn L. Martin Aircraft Company is building the British 'Canberra' light bomber. In turn, at CANADAIR, in Montreal, we are building for the Royal Canadian Air Force the same jet-fighter, the North American F-86 E, which the United States airmen are flying in Korea, and shortly we will be turning out Lockheed T-33 jet trainers and the new T-36 advanced transport trainer of Beech-Canadair design.

This points to a much freer use of each other's defence equipment than would have been believed possible even as late as 1945. I think it promises an end to the old stumbling-block of the one-weapon plan, the feeling that only 'ours' can be any good. We are all acquiring a more sensible respect for the other fellow's brains and the use to which he puts them. The result is a strong trend toward standardization in Canada and the United States, and in England as well.

The object of all this preoccupation with the mobilization of our maximum joint industrial power is not aggressive war. It is to build up the collective strength of the free world so that any agressor will stop short of war, and so that all will bear their fair share of the common burden.

I like the interpretation given to our difficult 'cold war' situation, with all of its economic strain, by Mr. Howe.

"Preparedness,' Mr. Howe said this summer, 'is a very different thing from all-out war. The emphasis is on widening national capacity, rather than immediate military production. It is a time and an opportunity for building our strength, for putting ourselves in a position to produce more than ever before. War or no war, such industrial development will prove a tremendous permanent asset.'

This is the case with a lot of things we are being forced to do. I think it is certainly the case with the development now—of the St. Lawrence Seaway. Even if war never comes, the impetus to be given by this great enterprise to Canadian industrial expansion in steel, oil and aluminum will have an incalculable future value for the entire continent, and for that matter for much of the world.

Don't let us make the mistake of thinking that our joint defence effort will benefit only Canada and the United States. It is true that these two countries are regarded as a single defence unit within the North Atlantic Treaty Organization; but, as your Under-Secretary for State for External Affairs, Mr. A. D. P. Heeney, wrote recently of Canada's position:

> 'Our primary concern must be the preservation of security in the North Atlantic Area . . . if freedom survives in this area, it will survive in the outer world; if freedom is overrun here, it will not long survive elsewhere.'

What we are to create is that which General Eisenhower called 'a wall of security for the free world behind which free institutions can live.' The industrial power we create together—we Canadians and Americans in joint enterprise—will build that wall of security as nothing else can. The peoples of our respective countries have given us, without stint, and through painful taxation, every encouragement, and they look to us with confidence to succeed. We, as men who are directing industrial enterprises, must therefore accept the assignment, curb wastefulness and get the job done effectively, remembering the warning from Charles E. Wilson, American Defence Mobilizer:

> 'The only way the Russians can beat us is to encourage us to beat ourselves.'

And let us not forget that, in thus working together for the mutual defence of our two great resource empires, we strengthen the bonds of amity and good will which will serve us well over the long pull when the defence problems that loom so large in the immediate scene assume their true perspective as but one aspect of the limitless possibilities for friendship and co-operation wherein lie our one best hope for the future.

THANKS OF THE MEETING were expressed by Mr. Philip C. Garrett.

“THE UNITED NATIONS TODAY AND TOMORROW”

An Address by

ARNOLD D. P. HEENEY, K.C.
Undersecretary of State for External Affairs

Joint Meeting with the United Nations Association in Canada (Toronto Branch)

Thursday, October 25th, 1951

CHAIRMAN: The President, Mr. D. H. Gibson.

INTRODUCTION BY the President, United Nations Association in Canada (Toronto Branch), Mr. W. G. C. Howland.

MR. HOWLAND: Mr. Chairman, Distinguished Guests, Ladies and Gentlemen:—

This is United Nations Week. In almost every country of the world celebrations are being held under the leadership of the various United Nations Associations to mark the sixth anniversay of the United Nations Charter. Under this Charter the 60 member nations have resolved to combine their efforts to accomplish the aims of the United Nations. Foremost amongst these aims is the maintenance of international peace and security. In Korea, for the first time in history, 16 nations including Canada have sent armed forces to suppress aggression under the unified command of a world organization, and 41 nations have sent materials and supplies to assist in the struggle.

Whilst Korea is uppermost in our thoughts at this time, the United Nations has also accomplished a great deal on the economic and social front. I should like to mention such highlights as the repatriation or resettlement of over one million refugees and displaced persons through the International Refugee Organization, the alleviation of suffering among children through the efforts of the International Childrens' Emergency Fund, the proclamation of the Universal Declaration of Human Rights, and the very extensive programme of technical assistance to underdeveloped countries to assist them in attaining a higher standard of living, and thus eliminate much of the bitterness and suffering which so often leads to war.

No country has been a more staunch supporter of the United Nations than Canada, and no country is more highly respected by other nations for the role which it has played in furthering the work of the United Nations. Our speaker to-day has been closely connected with the United Nations since its inception. He attended the San Francisco Conference in 1945 at which the Charter of the United Nations came into being. In 1949 and 1950 he represented Canada at the General Assembly of the United Nations. As Principal Secretary to the late Prime Minister Mackenzie King, as Clerk of the Privy Council and Secretary of the Cabinet, and now as Under Secretary of State for External Affairs, Mr. Heeney has rendered distinguished service to this country. It gives me great pleasure to call on him to speak to you about "The United Nations To-day and To-morrow".

MR. HEENEY: Yesterday, October 24th, was "United Nations Day"—the sixth anniversary of the coming into force of that great agreement between nations — The United Nations Charter. Six years ago millions of ordinary people, the world over, acclaimed this event as the beginning of a new order in human affairs—one from which the horrors of war were to be exorcised by the magic formula—collective security.

It was especially interesting to me that my invitation to celebrate this day with you in Toronto should have come from two sources; not only from an Association which, in terms, is devoted to the purposes and principles of the United Nations but also, jointly, from a Society which is attached to those British ideals of Empire which have contributed so greatly to the development of free co-operation between nations and to the settlement of international differences by methods of justice and common sense. This conjunction of Empire Club and United Nations Association is a happy one. For upon the nations of the Commonwealth, Asian as well as Western, the future of international organization may in considerable measure depend.

I take it that in what I have to say, you will expect me to attempt some reckoning of these past six years of the United Nations; and you may also wish me to express some views on the prospects for the sucess of this great experiment. At any rate I shall be able to give you some indications of how we in your Department of External Affairs are thinking of "The United Nations, Today and Tomorrow".

Now I could begin by enumerating and describing the accomplishments, the very substantial accomplishments of the United Nations in social affairs; in the so-called "specialized agencies" like the Food Agriculture Organization, the World Health Organization, the International Civil Aviation Organization and many others. I could point to the very large and practical results of international co-operation under United Nations auspices in the relief of the needy, in care for the distressed and homeless in many lands—to the magnificent work among children and refugees and to the considerable progress that has been made since San Francisco in the development of the legal and administrative framework of international order. The record of United Nations achievement in these and many other affairs is very great and too little known.

But substantial, even imposing, as such an account might be, you would not be satisfied with it. Nor should you be. For people everywhere, at this moment, are looking to the United Nations for one thing above all these others—to be saved, to be saved from the paralyzing threat, from the dreadful fact of war. And human beings will rightly judge the United Nations not by its social, its economic, its humanitarian achievements but by the very first article of its Charter—the maintenance of "International peace and security". It was something much more radical, much more difficult, much greater than a vast international Community Chest that the victorious nations worked to build at San Francisco in 1945. And whatever the noble role of its accomplishment in economics and law, in charity and enlightment, the United Nations will be judged by history, by one test only—did it or did it not "save succeeding generations from the scourge of war"?

And so it is to this first purpose and principle of the Charter that I venture to direct your attention this afternoon.

Let me begin by recalling to you the words of the first part of the Charter's first article:

> "The purposes of the United Nations are:
>
> (1) to maintain international peace and security, and to that end: to take effective collective measures for the prevention and removal of threats to the peace, and for the suppression of acts of aggression . . ."

These words, framed six years ago, are as topical as today's headline. For it was in support of this provision that, in June of last year, the United Nations moved to stop the aggression which had burst out in Korea. And it was this decision which, in turn, brought about significant changes within the United Nations.

When the sixth session of the General Assembly opens in Paris on November 6th, twelve days from today, it is likely that the most important debates will relate to Asian questions, especially those arising from events in Korea. It is almost certain that discussion of the Korean issue will lead to a general examination of this basic problem—the role of the United Nations in maintaining collective security.

In a world divided and confused by the aggressive policies of Soviet imperialism, the performance by the

United Nations of its primary role in the maintenance of peace has become infinitely complicated and difficult. As early as the second session of the General Assembly in the Fall of 1947, the present Prime Minister, then Secretary of State for External Affairs, referred to a growing feeling in Canada that the United Nations, because of the experience of the Security Council, was not showing itself equal to the discharge of its primary task of promoting international confidence and ensuring national security. Mr. St. Laurent then went on to say: "Nations, in their search for peace and co-operation, will not, and cannot, accept indefinitely and unaltered a Council which was set up to ensure their security, and which, so many feel, has become frozen in futility and divided by dissension".

The most recent example of what the Prime Minister had then in mind was the sad spectacle of the Security Council's indecision over the Iranian issue, a week ago today. Stalled in a tangle of legalistic arguments and evasions, the highest body of the United Nations on that occasion was unable to muster the minimum seven votes for the most moderate of resolutions calling upon the parties to the dispute to discuss their differences.

In April, 1948, in the House of Commons, our Prime Minister admitted that Canadian faith in the United Nations as an effective organization for peace and security had been "pretty severely shaken". But, Mr. St. Laurent added: "What is *un*shaken is our determination to make of it (the United Nations), or within it, an effective organization for this purpose. Unshaken also is our faith that this can be achieved".

With certain other nations of the Free World, Canada these past two years has pressed on toward the objective of genuine collective security in two way:

> First, by creating the North Atlantic Treaty Organization—NATO;
>
> second, by action within the United Nations itself to increase the United Nations capacity to deal effectively with the acts of aggression.

Within the United Nations the most significant step was the "Uniting for Peace" resolution passed by the General Assembly, during its fifth session in November last. This resolution was a direct result of the Korean crisis. It was designed to meet the conditions of just such a crisis in which the Security Council might fail to discharge its responsibilities because of lack of unanimity among its permanent members.

The core of this resolution was that "if the Security Council . . . fails to exercise its primary responsibility for the maintenance of international peace and security in any case where there appears to be a threat to the peace, breach of the peace, or act of aggression, the General Assembly shall consider the matter immediately". The effect was to put much larger powers and much greater responsibilities in the General Assembly. From then on frustration in the Security Council needed not imply inaction and defeat; the assembly had the right and duty to act.

These two developments—the establishment of NATO and the new authority vested in the General Assembly to act in the face of aggression, have added materially to the effectiveness of collective means for the maintenance of international peace and security.

Canadians believe in the principle of collective security. And, because they believe in it, Canadians are willing to support responsible and reasonable proposals for giving it effect. At the same time most of us recognize that the present world situation compels us to accept important practical limitations upon the universal application of the principle.

First of all, we must face the fact that, now and as far ahead as we can see, the one world, which we all hoped for at the end of the Second World War, is unattainable. There seems to be no real prospect of our being able to establish friendly or even normal relationships with the Soviet world in the foreseeable future. Of course we should remain receptive to any genuine compromise which may be offered by the Soviet Union, but it would be folly for us not to recognize that the present divisions in the world which result primarily from Soviet Russian policies, will continue for some time to come.

The second limitation is that imposed by strategic considerations and the presently available military and economic resources of the free countries. We believe that aggression of all kinds everywhere should be frustrated. But we are by no means certain that the Free World yet disposes of the strength necessary to give effect in every part of the world to this article of our faith. The blunt fact is that, in present circumstances, unlimited collective security everywhere, because of the dispersal of resources involved, might mean no real security anywhere. On the other hand, failure to stand by the principle of collective security and seek to enforce it in any clear case of aggression would strike at the base of confidence on which the United Nations is founded.

If the United Nations is to avoid this dilemma; if it is to avoid a fatal dispersal of strength and at the same time maintain support for the essential security obligations of the charter then the most careful judgment must be exercised on each occasion. Our representatives in the United Nations will have to make a deliberate calculation of the moral strategic factors present in each particular issue involving aggression or threat of aggression. These decisions will be difficult especially because they will often have to be made rapidly and without very thorough examination.

Speaking of this problem only a few days ago in the House of Commons my Minister, the Secretary of State for External Affairs, suggested that these decisions—how to give effect on any given occasion to the security obligations of the Charter—might be made easier by the acceptance of certain principles:

> (1) in every situation, our obligation under the Charter to do whatever we *can* to maintain the principle of collective security should be discharged; in other words, we should recognize unprovoked aggression for what it is, whether, committed by great or small powers; and take appropriate action—

but this action may have to vary according to circumstances;

(2) we should never *formally* condemn an aggressor until the fact of his aggression has been clearly proven, and until the mediatory and conciliatory functions of the United Nations have been exhausted;

(3) condemnation of aggression does not mean that in every case economic and military sanctions must follow; indeed it is essential, and only ordinary common sense, that measures adopted against an aggressor be practicable; they should be determined upon in relation to the general strategic and political situation and their possible effects in dangerously weakening the strength of the Free World in areas of greater importance;

(4) we should recognize our limitations in this way even when we have formally condemned the aggressor. There is nothing immoral in this. Nor does it mean that there is one law to be applied to the strong and another to the weak. It does mean, as Mr. Pearson said, that "the responsibility of defending the Free World is so grave that those who share it will require the highest qualities of intelligence, as well as the most sensitive consciences, in deciding where the limited forces at their disposal should be applied". With the growing strength of the free nations these delicate problems of decision will tend to diminish.

There can be little doubt that the United Nations' intervention in Korea has given new validity to the principle of collective security and added new strength to the United Nations itself. Furthermore the experience gained in the organization of collective United Nations' action, in the establishment and operation of a United Nations Command, and in the provision and maintenance of United Nations Forces will certainly prove valuable in the future.

During recent months a special Committee of the General Assembly, the "Collective Measures Committee" upon which Canada is represented has been examining these practical problems of collective action. The report of this Committee will bring into sharp focus the central issue of the role of the United Nations in the event of a general war.

So much for my attempt to review with you the present state of the United Nations and to examine the prospects of the United Nations in its efforts to discharge the basic task committed to it six years ago. Whatever its imperfections the United Nations remains an established forum where the Soviet and free worlds meet; and an institution committed to the maintenance of international peace and security by collective means.

Six years is not long in the life of a nation; still less in the history of man's long effort to develop the institutions which will save him from self-destruction. The struggle to build these institutions of order and peace must be pressed forward with all the intelligence, energy and ingenuity of the free nations. The record and prospects of the United Nations in its brief and stormy course proves it worthy of our steady faith and work.

Finally, let us remember that no human institution, however perfect, can work if there is no desire to make it work. To quote my Minister once more: "the United Nations is not an entity in itself. It is the sum total of the wills of its members and of the combined contribution they are willing to make". The United Nations has shown itself to have great vitality. Canadians will, I believe, continue undiscouraged to support it, to work in it and for it with sober confidence that, if time be given it will at last deliver mankind from the age old tragedy of war.

THANKS OF THE MEETING were expressed by Mr. J. Mavor Moore.

"WHAT IS AMERICA'S ANSWER?"

An Address by

JOSEPH THOMAS
Director, Secretary and General Counsel
The Firestone Tire & Rubber Company,
Akron, Ohio

Thursday, November 1st, 1951

CHAIRMAN: The President, Mr. D. H. Gibson.

MR. GIBSON: It is a signal honour to welcome Mr. Joseph Thomas, Director of and General Counsel to the Firestone Tire and Rubber Company of Akron, Ohio, a Company to which all are delighted to pay tribute for its marvellous tradition and career.

Mr. Thomas holds many honours from his University of Akron and from the Ohio State University, and is President of the Akron Law School.

How keenly attentive we will be as our distinguished friend opens up to us his subject "What is America's Answer?".

All of us in these times would like very much to forget, even for brief periods, the terrible events which surround us in the world in which we are living. We lift our eyes to the future with uncertainty and our thoughts travel the pathway of the nations of the world with great anxiety. However, in all seriousness we must not close our eyes—we dare not—but rather through the gracious message of our visitor, may our vision be clearer and the objectives of our mind set on that standard of achievement for the free peoples of the world, which will cause us willingly to devote our lives and sacrifice much, so that we may bring to pass for our own and future generations better days than the world in which we now live.

It is with great pleasure I introduce to you and extend a warm welcome to Mr. Joseph Thomas.

MR. THOMAS: Please understand, I appear today as a plain, average American citizen, who has a deep and sincere conviction that our good neighbour Canada—your country—is the true friend of The United States of America; that Canada and our mother country of Great Britain have been our devoted allies. We have planned, fought and bled as one for the preservation of our mutual ideals.

I pay due respect to Great Britain which gave birth to the doctrine of "natural liberty", which when transplanted to the colonies, took on even more vigorous growth. I give proper credit to Adam Smith whose great economic classic—"Wealth of Nations"—explained with great care the economic logic of the system of free enterprise as he preached it and as the colonies and our young republic practised it. His explanation became the brief for the doctrine of "laissez faire". By a curious coincidence, our American Declaration of Independence and our Constitution were brought forth in the same year in which Adam Smith's book was published.

I am only one of millions of Americans who holds great admiration for the genius, industry and tremendous accomplishments of you—the Canadian people. It is my impression that Canadian business is no brash offspring of a British and American union, but rather is a wise and circumspect offshoot of the experience of both—watching developments closely and profiting immediately from the mistakes of both. We recognize your great wealth in natural resources and your untapped treasures in the form of minerals. We recognize that you are on the threshold of even greater industrial development. Your future is so outstanding and so inviting that we in the United States could in all sincerity say in the words of a modern Horace Greeley "Go North, young man, go North."

Having a Welsh ancestry, I, like millions of Americans, hold in very high esteem the Royal Family of Great Britain. I will always remember the great ovation that the King and Queen received while visiting the United States in 1939. I am sure that Mr. Winston Churchill will go down in history as the greatest, strongest and most dynamic character of this century. He truly represents the words of Ralph Waldo Emerson that "An institution is but the lengthened shadow of one man".

I want to make it crystal clear that everything I know about Canada is good. So in developing my subject "What is America's Answer?", any thoughts that I may voice, apply only to my own country and are not by inference or otherwise to be interpreted as an effort on my part to pass judgment on your accomplishments.

The greatest hoax that has been perpetrated upon the American people in my lifetime is the insidious phrase "the privileged few". It has been repeated over and over again and it has become the basis for more perverted thinking than any other phrase. Many people have swallowed this misstatement hook, line and sinker—people who sincerely believe that the great industrial enterprises of America are owned and controlled by a handful of wealthy people, and that these selfish, privileged few split up, among themselves, the fabulous profits of giant corporations.

There are approximately half a million corporations in the United States, and each of these is owned exclusively by its stockholders. Not one of those stockholders, however, possesses any "privileges" that are not available to every other person in our nation. The truth is that ownership of a share in American enterprise lies within the financial ability of virtually every family in our country. If all of the dividend-paying stocks listed on the New York Stock Exchange at the close of last year had been rolled up into one composite issue, a single share in this average American industry would have cost the investor exactly $33, and would have paid him a dividend of $2.21 during the year. That is hardly an unreasonable profit, but nevertheless it represents a good return as dividends go—

a return of 6.7 percent on the investment. Anyone who possesses a few dollars and who is willing to invest them in the plants and tools and furnaces and machines that make production possible can become one of the owners of a corporation.

There are approximately fifteen million industrial corporate stockholders in the United States. The American Telephone & Telegraph Company is owned by more than a million stockholders. General Motors is owned by nearly a half million. U. S. Steel has 238,966 individual stockholders and not one of them owns as much as three-tenths of one percent of the U. S. Steel stock. Of the 50 largest manufacturing corporations in the United States in 1948, 45 of them show that they had two million eight hundred thousand stockholders, whereas they had only two million five hundred thousand employees.

Many people fail to understand that big business is good for small business. In 1870, America had 427,000 independent commercial and industrial enterprises which equal one for each 91 persons. In 1947, America had 2,280,000 businesses, one for each 63 people. So in spite of our big businesses, we have today a larger number of small businesses even in proportion to our population than ever before. It is interesting to note that 50,000 of the U. S. Steel Corporation's 54,000 suppliers are small businesses and that 90,000 of its 110,000 customers are classified as small businesses. For the first four years after World War II, new businesses started up at the rate of 30,000 per month.

I have used the hoax statement "the privileged few" as an example of the false propaganda that is being cleverly and insidiously planted in the minds of many of our unsuspecting people. Who is responsible for such propaganda and what is the motive? I must confess that much of the fault must be placed at the door of the millions of average American citizens such as myself who are too complacent —we are neither hot nor cold—just lukewarm and smug! We are comfortably fixed in material things but quite miserable in spiritual things. We must recognize that the greatest treasures of our land are those which our generation did not invent, did not procure and some of which we have not been able to preserve.

I hate to admit it, but I humbly believe that we are living today at the close of an era when the kind of world we have known is slipping away. What makes the picture so dark today is the fact that we are face to face with a new religion that is out to create a different kind of a world. Make no mistake about it, Communism is a religion. It is not mere economics. It is not mere sociology. It is not mere Russian nationalism on the war path like the insane nationalism of Hitler and Mussolini. It is a religion, zealous, fanatical, missionary. It knows no bounds of race or class or nationality. It is out to win the world.

This new religion was founded by a man who was first a Jew, then a Lutheran, finally an atheist. The personal pilgrimage of Karl Marx left a deep imprint on the new religion. From the Hebrew prophets, he took a vision of social justice and the belief that violent social change is inevitable. From Christianity, he took the conception of the Day of Judgment when all the sins and failures of our society would be punished and when the oppressed would at last be given their place in the sun. From atheism, he took the conviction that man and man alone would bring about the Day of Judgment through the revolution of the proletariat. In place of God, men would sit on the judge's bench. In a world where man's faith in God has already grown dim, this new religion is a mirage of hope for millions. Victims of all the evils of our western civilization find in it the promise of salvation. Industrial workers who feel they lack economic security—to many of these the new religion comes like a ray of hope. The followers of this new religion are not smug, easy-going and half-hearted. It is more important to them than life itself and they tell their potential converts "We are in this with you. We mean business. It is not mere talk with us. We are going to go right down into the firing line with you; to stick by you all the way. The future is with us. Nothing can stop us. The day of reckoning is almost here." I repeat, this is not mere economics. It is not any kind of nationalism. It is a religion—a new religion torn from Jewism, Christi-

December 14th: Sir William Rootes and J. Gerald Godsoe,
President of the Board of Trade

anity and atheism. We ask the question—how are we going to meet it? What do we have that will stand against it? The American way of life is the wide-spread answer in our country today. We will show the have-nothings all over the world how prosperous we are. We will show them how many comforts we have and how we govern ourselves. We will give them a blueprint of our well-fed way of life and let them copy it. Gentlemen, this answer alone, with nothing else, only makes many of the people that we want to win to our side, hate us for it. Some Americans think that the right answer requires more violent treatment. Those Americans have the idea that we ought to just drop a lot of atomic bombs on Moscow, in China, in the Balkans. We ought to just blow these people off the face of the earth and that we ought to start an endless chain of blowing people up. I ask a fair question—is this the only answer that we, a so-called Christian country, are prepared to give? Neither can we ever hope to buy peace in the world. Up to today, there have been one billion, twenty-five million, three hundred fifty-six thousand, three hundred and twenty minutes since the birth of Christ. This year our Federal budget will be approximately sixty-eight and one-half billions of dollars. Most of this is for armament and foreign aid. This represents approximately $68 a minute since the birth of Christ. The money we have spent in the past, are spending today and hope to spend in the future would be very graciously given by the rank and file of our American people if we only had a reasonable assurance that we would ultimately succeed in bringing peace and tranquility throughout the world. But it has got to be far more than this. It must be something that money cannot buy. It is something that a display of wealth and affluence cannot secure. The only way to obtain our goal is to fight the false religion of the followers of Karl Marx with a true religion. It cannot be the soft, easy-going, complacent thing which we have called Christianity for so long a time. It must be a new Christianity, more real and more intense than anything that most of us have ever known. Where do we start? Everywhere. In our personal lives, is the best place to start. Making our own personal lives a lot more in keeping with all that God expects them to mean. Deepening our prayer life. Trying to get something out of church that will make us nobler and stronger. We must no longer blink at the corruption in our Government. It means fighting against every form of meanness and bigotry, against all the corruption and wire pulling and cynicism that corrode our National life. It means the end of our type of paganism in America and the dawn of a new day. I think we are at our lowest ebb. Yet I sense the beginning of something far more intense and far more sincere than anything we have known in my lifetime. No matter how dark the present picture is, the great hope for the future of America is the fundamental goodness, integrity and spiritual depth of the great mass of our citizenry. I refer to the millions who attend the church of their choice and lead lives of temperance and struggle and strive to set the proper example in their home life and business activities. From this great group of American people will come an upsurge of wholesomeness and righteousness that will take charge. Our five percenters living by their wits must go. Our fixers and influence peddlars are being exposed. The time has arrived for a renaissance. Our great mass of people are fed up with the looseness in morals, government corruption and vice. They are aroused to action. They realize the time is at hand. They must take charge today. Tomorrow will be too late. I have faith in their sincerity of purpose, their courage and their will. This is America's answer. It is the the greatest challenge that our young nation has ever faced but we will meet it with resolute courage. We will make the necessary changes and some of them are already in the process of being made. We must cease telling people how good we are in our business and industrial accomplishments. We must cease flaunting our wealth and affluence. We must work hard and earnestly at the task of strengthening ourselves spiritually, morally and economically. We must save our free American way of life, no matter what sacrifices are required. We must vote at every election for people who place the welfare of their country above their personal, political welfare. Surely in the face of three wars to save democratic freedoms, we owe it to ourselves and our associates to develop programmes aimed to interest the voters in the exercise of their right of franchise. We must pray for the wisdom and the courage to do our duty as good Americans, faithful to God and to our country. We must convince the people of the world that we are with them as God's children, extending to them the hand of human fellowship on a truly unselfish basis. As a humble American, I say, this must be America's answer!

THANKS OF THE MEETING were expressed by Mr. Arthur Slaght.

"A MODERN CONCEPT OF INDUSTRIALISM"

An Address by

HAROLD BLANCKE
President, Celanese Corporation of America

Thursday, November 8th, 1951

CHAIRMAN: The President, Mr. D. H. Gibson

MR. GIBSON: Gentlemen—In introducing our distinguished guest and speaker, we welcome him as President of the Celanese Corporation of America, and also because of the fact that he and those associated with him, by deeds have shown abiding faith in the Canada of today and its future.

Their vast enterprise outside Prince Rupert—which I have been privileged to witness from its beginning—and the Edmonton-Canadian Chemical Company Limited now under way—these two great ventures represent something like one hundred million dollars capital investment. Not many businesses in Canada approach this figure. It is the most striking evidence that the men associated with this great Company are persuaded that in our Canadian life we, the Canadian citizens, purpose safeguarding these great institutions, and will see to it that people who part with their private means for development and growth of business within this country will hold to the citadel of Trusteeship. This means *No just right of invested capital shall ever be disturbed.* Collective state socialism breaks down for the simple reason that its promises are impossible of fulfilment, based on foundations washed away by disillusionment.

This Canada of ours—three million, seven hundred thousand square miles—an area approximating all Europe in extent—accessible and productive beyond any prophet's vision, welcomes men of the spirit, courage and statesmanship of Mr. Harold Blancke, who will now address us.

MR. BLANCKE: The subject I have chosen for my remarks, "A Modern Concept of Industrialism," is actually an explanation of the thinking that induced Celanese Corporation of America to come to Canada as an industrial citizen. I could express a valid reason in one sentence by merely saying that we believe Canada is destined to become a very great industrial nation and that we desire to contribute to its development and share in its prosperity. I think, however, that a more accurate and slightly longer explanation is necessary. Moreover, I wish to set forth our basic business philosophies and policies in the hope that they will receive your sympathetic understanding.

I want you to know that we are grateful for the sincere and friendly welcome Canada has given us as a new neighbour in its industrial community. We are pleased that your public officials and business men invited us here in the first place and have since extended such extraordinary helpfulness. We intend to fulfill your expectations.

As you know, our affiliate, Columbia Cellulose Company, which started construction of its pulp mill near Prince Rupert in 1949, got into production this year and is already expanding its facilities. The mill produces high alpha cellulose for the manufacture of cellulose acetate and other cellulose products. We hope to increase its production about 50% to attain a rate of 300 tons per day by the middle of 1952..

Canadian Chemical Company started construction of its large plant at Edmonton last June and should get into production early next winter, in 1952, thanks to the help given us by the Government in obtaining construction materials. This completion date is about one year earlier than would normally be required to construct a plant of this type and size. It should form the base for a substantial Canadian chemical industry for it will produce a large number of critically needed industrial chemicals not now produced in Canada. It will also produce cellulose acetate for domestic use and export. A third unit of the plant will produce acetate filament yarn and staple fiber for Canadian weaving and knitting mills.

These two companies are a logical development of the experience of Celanese Corporation of America in planned integration. In the United States, Celanese Corporation of America started as a very small company in a new industry only 27 years ago. It pioneered the commercial development of cellulose acetate yarn and fiber. This entailed development of weaving and knitting techniques, invention and production of new dyestuffs, all on a commercial scale. As public response to the new acetate fabrics gradually grew into great markets, under the stimulus of persistent promotional efforts, the Company soon found its growth cramped by the limited availability of raw materials, all of which were produced by others.

For that reason an intensive research programme was initiated as long ago as 1928 to seek a plentiful and economical supply of acetate acid and other chemicals. This effort resulted in the first successful commercial production of these industrial chemicals by the partial oxidation of liquified petroleum hydrocarbons. By integrating back into production of raw materials the Company was thereby enabled to continue expanding to supply the growing markets it was creating.

The next step was to develop additional supplies of cellulose, the other basic raw material and most severely limiting factor in continued growth of our industry. Columbia Cellulose Company is one of the results of that necessity. We also have an affiliated company in Mexico which has just started production of purified cotton linters cellulose.

The existence of Columbia Cellulose Company makes it possible for the organization to enter the fields of other cellulose and wood products by means of full and economic utilization of the forest reserves in its licensed areas.

It may very well prove desirable to erect facilities to produce pulp products, such as kraft and newsprint in addition to high alpha and rayon grade pulp. It would seem logical to produce sawn lumber products as well as plywood and shingles. As a further integration, it may become desirable to supplement our production of viscose rayon in the United States and Mexico with a suitable facility in Canada, particularly for the production of viscose staple and tire yarn.

Canadian Chemical Company's production of acetate and other chemicals logically leads to production of plastics, film, wrapping materials, and similar products. The chemical facilities also make possible production of chemical fibers other than cellulosics. For many years Celanese Corporation of America has been conducting research in the newer types of chemical fibers. Some of the results, while not yet in the market on a large scale, look hopeful.

We are not disturbed by non-existence of markets, or by limited size of markets for any of our products because experience has taught us that markets can be created for products that contribute to the comfort and pleasure of living. When basic raw materials are readily available, it is possible to find their natural markets.

We are unable to develop these markets alone. Such a programme would be most undesirable. It might border on monopoly and we are completely opposed to monopoly Monopoly is harmful to everybody, including the business that practices it. We desire only to bring basic materials to the point where they can be further processed by large numbers of manufacturers rather than only one organization. It is far more desirable to enable and assist the excellent Canadian textile industry to exercise its highly developed skill in developing its own domestic and export markets.

I wish to emphasize that we do not consider ourselves a foreign organization. Since it is our purpose to preserve the Canadian character of our affiliates, Columbia Cellulose Company and Canadian Chemical Company, we are carefully building them wherever possible of Canadian-made machinery and materials, and staffing them almost completely with Canadian personnel. So far as we know, of the nearly one thousand people already working in the Columbia Cellulose Company operations, only four are not Canadian citizens. Only key technical personnel familiar with our processes and who cannot be found outside the United States are brought here. At present we are training Canadians in our plants across the border to be brought back for future employment in the affiliated companies. The very complex production techniques of Canadian Chemical Company will be almost entirely carried on by Canadians. It is one of our fundamental policies to insist upon integrating completely into the economic and social systems of each country in which, upon invitation, we are conducting business ventures.

This point brings up another fundamental policy. We desire joint ownership with local citizens of these affiliated companies. It is part of our philosophy that modern industry, international in scope, should be composed of local units in each country where it has interests.

Although industrialization is growing, at different rates, in every country in the world, only a few countries have the natural resources to provide the basic materials for industry. Local people must participate in the exploitation of the natural resources which they own. They must participate in development of their own markets. And we are happy to share in the opportunities of the local people in each country where we are invited.

It is unsound to permit local industrial problems to become foreign problems. Such a situation is entirely unnecessary. It is logical for people to want to share directly in the prosperity of the local enterprises with which they are familiar and in which, on a local basis, they take pride.

Of course, Celanese Corporation of America is itself a publicly-owned company or, to use a phrase I prefer, a company privately owned by the public. Its common shares are held by more than 25,000 owners, of which many are large institutions, such as insurance companies, banks and trust companies, investment trusts, and pension funds, which in the aggregate by themselves represent literally millions of individuals. In fact, we know that over 40% of the outstanding common shares are institutionally held. According to our records, about 16% of our equity shares are held for Canadian and British owners by Canadian nominees. Considering the size of the populations of the two countries, Canadians already have a proportionate ownership in our Company. I believe it is inevitable that this ownership will be increased.

In Mexico, Colombia and Venezuela, in which there are six affiliated companies already operating or building plants, the ownership is divided between the parent organization and local capital. These companies are all engaged in supplying local markets. The situation in Canada is different. Here our affiliated companies are, or will be, engaged in the manufacture of basic raw materials into finished goods for export markets as well as Canadian industry. It is a long step toward developing a strong industrial economy in Canada, a step toward industrial self-sufficiency and the long-term prosperity of a new creditor nation.

On the one hand, we have companies primarily engaged in developing local markets to improve their domestic economies, and on the other, companies making efficient use of dormant or unused natural resources for vigorous industrial growth. Before inviting participation of Canadian venture capital in these new Canadian companies, however, it seemed to us that we should assume the major risk until we could give evidence of good faith and sincerity of purpose by building the new plants and placing them in successful operation. In my opinion we have nearly reached that point.

Having now covered our philosophy of joint ownership and operation, I wish to discuss my main theme—a modern concept of industrialism. It is quite clear to everyone engaged in trade, industry, finance and government that we are living, and will continue to live, during our time at least, under very different circumstances and conditions than existed in the nineteenth century. The pioneer development of Canada is following a different course from the pioneer development of the United States a half century earlier. Gone are such things as the buyers market for labour, the European system of laissez-faire industrialism with its restrictions upon production and trade, the gold standard, free trade, peace, and the idea that nothing can be done or need be done to prevent unemployment.

We live in a time of highly inflationary international tendencies. I think we must learn to accommodate ourselves to them. A free economy, such as exists in the three great capitalist nations of North America—Canada, the United States and Mexico—requires continuous readjustments, even when fully prosperous. Freedom and individual liberty require that individuals be privileged to choose what and when they buy. The very exercise of individual choice depends upon personal psychology, the interplay of personal hope and fear. Therefore, there will be times when the demand for, and production of certain goods and services do not match exactly. "Individual preferences assure us of alertness and vitality in our economic life and of freedom in our personal life."

An alternative is the effect of socialist governments to dictate production and consumption of nearly everything. Socialism is merely making the same mistakes as laissez-faire capitalism, emphasizing economic controls which inevitably result in restricted production, high costs, of competitive position in world markets, lower real wages and loss of purchasing power. Business men, I think, will be faced with inflationary controls for many years, but they are not insurmountable obstacles. Some of them are desirable.

There is no logical reason why, in a capitalist society, prosperity must be followed by depression. This is an unwarranted and defeatist attitude. Canada is not becoming strong and great through addiction to any such theory. We may always have the possibility that a very serious maladjustment may cause a general economic decline, but the social and economic regulations with which our modern capitalism has buttressed itself to reduce both the degree and length of such a decline. The high volume of savings of the public was important in preventing the heralded depression which was supposed to follow World War II, and the current high rate of personal savings will facilitate, without serious dislocation, the conversion to normal trade conditions when the free world becomes militarily strong enough to prevent subjugation by Russia. While protecting our modern society by limited controls, we must exercise eternal vigilance and care lest the controls lose their flexibility and weaken the system of life they are intended to protect.

We are indebted to a recent writer in the London "Economist" who describes some of the symptoms and inflationary tendencies which lead him to believe that the trend of our world economy has irretrievably changed for a considerable time ahead and that a new industrial outlook is desirable. It is his central thesis that, due to inflationary policies which are not likely to be reversed, "prices will continue to rise as far as human vision can see ahead."

This is an interesting speculation. He does not expect an uninterrupted rise in price levels. which are a symptom of inflation, but believes that the long-term historical trend, interrupted only by the fiscal stability of the nineteenth century, is slowly upward and is normal. It does no harm, at least, to consider means of dealing with this problem in order to conduct business successfully in the event that our friend is correct.

He enumerates among other inflationary doctrines, the devotion of the free world to the ideal of full employment and cites the main implements for achieving it—budget deficits, low interest rates, and devaluation, all somewhat inflationary. While claiming that the historic nine-year trade cycle, "a feature of a certain type of economic organization," is now dead, he believes there will be occasional slumps in specific commodities and temporary unemployment in particular trades, caused by shortages of raw materials. He concludes that "maintaining full employment is no longer a problem of ensuring markets, but of ensuring raw materials."

Now, in my opinion, the markets are as important as the raw materials. Upon this premise we have developed our concept of modern industrialism, designed to make good use of the long-term inflationary tendencies of our changing economy. I believe that a modern industrial organization will seek to combine effectively the production of basic raw materials with development of their natural markets. For emphasis, I repeat—"to combine effectively the production of basic raw materials with development of their natural markets."

To implement this program, we are pursuing a policy of establishing a group of affiliated companies jointly owned with local capital in countries where the political and economic climate is favorable to industrial growth. Some of these affiliates are, or will be engaged in converting raw materials into semi-finished and finished manufacturers' materials and some are, or will be producers of finished chemical fibres, plastics, industrial chemicals and cellulose products. The whole integrated group, together with the domestic plants in the United States, is mutually dependent, derives strength from each part and improves the prospect of long-term profitability.

From several points of view it is more practical to establish consumer goods industries in the respective countries which comprise natural markets than to try the less profitable method of climbing over artificial trade barriers and combating nationalistic sentiments. It is better to supply semi-manufactured raw materials for local processing in the country which needs the finished products but does not have the raw materials or convenient means of getting them.

Furthermore, diversification of products and markets strengthens an industrial company and all its parts, and offers special advantages when such a distribution of risk is carried out on a judiciously selected international scope. By combining abundant natural resources and their natural markets in all parts of the world, a unified management should contribute to all the component companies relative stability of earnings and employment. These are among the chief objectives of the governments in the free world.

Now, although several countries possess vast natural resources as well as a political and economic climate, as I have just mentioned, favourable to industrial growth, why should Canada attract a flow of international venture capital at present greater than that going into any other nation? From our company's point of view, of course, there is the fact that nowhere in the world is there in close juxtaposition such a huge endowment of timber and petroleum gas resources, our particular basic raw materials, as exists in British Columbia and Alberta. Even more important than this, however, is the fact of good government. This single factor should make it possible to develop our Canadian affiliated companies into the essential core of the entire world-wide organization.

A large market-reporting organization in the United States, just a month ago, in commenting on the international attention Canada is attracting, ascribed it in part to growing recognition of the wealth and favourable development possibilities of Canada's basic resources. I quote, "Canada has gone as far as the United States in social welfare plans, but her fiscal affairs have been handled more soundly than here. This background of conservative government, together with the well-publicized development of natural resources, may well continue to attract new capital."

In speaking of natural resources, I wish to emphasize what I said last June at the dedication of the Columbia Cellulose Company mill at Prince Rupert. I particularly admire the policies of conservation enacted by the present generation of Canadian public officials. The restrictions upon exportation of natural resources such as timber, minerals, natural gas and crude oil, in favour of processing these basic materials into more highly finished articles of commerce before they leave the country, provides a sound basis for an industrial economy truly in the best interests of the nation. These policies prevent waste of a priceless heritage, guarantee that the timber resources will forever provide a continuing source of wealth, and that the mineral deposits, so vast their extent will long remain unknown, will become the foundation of a very great industrial nation.

As Canada has grown in recent years, it was natural that her trade should undergo a gradual reorientation also. Here is Canada, already a first-rank world power, ranking fourth in total foreign trade among all nations, with a foreign commerce of $7,000,000,000, with a third of her net national income derived from the export of goods and services, with a standard of living so high that her per capita national income is the second highest in the world, and one of but two nations able to extend economic assistance to other countries.

This remarkable growth is in part due to the close proximity of the United States. Here, next door to a nation of nearly 15 million people, is a national market of 150 million people, a market which has a great growth potential limited only by certain domestic natural resources insufficient to maintain much longer the present rate of consumption. The commerce which has grown up between the two nations will most certainly increase beyond all foreseeable limits. Canada's foreign trade statistics already reflect the inevitable trend. Within the last five years Canadian merchandise exports going to the United States have increased from 38% to 65% of the total. At the time, due to trade and currency restrictions which militate against Canadian goods, exports to overseas countries shrank one-third in value and one-half in quantity.

A close co-ordination between the Canadian and American business communities is inevitable and desirable. They naturally complement each other and will mutually prosper. We believe that our concept of industrialism follows a sound pattern which should benefit Canada—the combination of basic raw materials production with development of their natural markets through a group of affiliated companies.

Canada presents an unparalled opportunity for growth. We expect to share in Canada's growth only to the extend that we contribute to it. We shall continue contributing in the form of capital, industrial experience and technical skills. If Canada continues to follow her tradition of good government, sound fiscal policies, and wise control of natural resources, I believe the nation will develop an industrial strength that can endure until the end of time.

THANKS OF THE MEETING were expressed by Rt. Hon. Arthur Meighen

"CANADA"

An Address by

RT. HON. JAMES G. GARDINER, P.C.
Minister of Agriculture

Thursday, November 15th, 1951

CHAIRMAN: The President, Mr. D. H. Gibson.

MR. GIBSON: The Honourable James G. Gardiner, born on the boundary between the Perth and Huron Counties, of Scottish parents, worked on a farm as a boy until 1901, going west on a harvesters' excursion; graduated with a Degree in Political Economy and History from the University of Manitoba in 1911.

In 1905, the Provinces of Alberta and Saskatchewan were set up, and our distinguished guest and speaker made his home in Saskatchewan. In the Saskatchewan Legislature, The Honourable James G. Gardiner served from 1914 to 1935—twenty-one years. For five of those years he was the Premier of that province.

From 1935 until the present, he has occupied the honourable position of Minister of Agriculture—a span of sixteen years. This means, gentlemen, a farm boy has risen to render thirty-seven years of service within his province and the Cabinet of the Federal Parliament.

When we take upon ourselves the proud position of nationhood, we take upon ourselves also all the responsibilities and duties which nationhood implies.

We in Canada have perhaps per population the largest area and immensity of assets of any land on earth. I am told Australia comes next to us, Great Britain has a population of eight hundred to the square mile—Canada three.

People of other lands, crowded and pressed on all sides for various causes, are turning with longing eyes to Canada, and some of these people say—"What is your title?". We say "We are domiciled here." We must prove ourselves worthy of our heritage—the land to which we have fallen heirs through the earlier years of British influence and authority. In the light of a great background of experience, our distinguished guest and speaker will address this gathering on his important subject "Canada".

MR. GARDINER: Mr. Chairman and Gentlemen of The Empire Club: When I became Premier of Saskatchewan over twenty-five years ago you invited me to address the Empire Club. You have invited me to address you about once every five years since, and I consider it an honour to have the privilege to appear before you at this time.

I have chosen to speak on the subject "Canada". I have selected this subject because I believe that what Canada does in the next twenty-five years will have a greater effect upon the future of the human race than what is done in any other single country in the world in the same period.

Canada is part of the British Commonwealth of Nations. The growth of that Commonwealth has occupied the central place on the stage of history for about four hundred years. The agencies which pushed it forward were the adventurous spirit of the British people which led them to be explorers; the desire to trade which resulted in development of resources and colonization wherever they went; and the ability to inspire confidence, a feeling of security and a love of freedom wherever they went.

The period of exploration and colonization extended from the discovery of America in 1492 until the Seven Years' War which ended in 1763. Five maritime powers, Portugal, Spain, the Netherlands, France and Britain encouraged explorers and traders to search the earth for new fields to be developed. Because of constant wars over religious differences and in an effort to establish national boundaries on the European continent Britain was able to concentrate upon colonization in America and trade with India. The result was that at the end of the Seven Years' War she had consolidated her position in North America and in the Orient. From then until now there has only been one setback in the march of world influence by Britain and that was the loss of the American Colonies. It would appear at present that the close working arrangement between the United States of America and Britain has removed any harm which might have resulted from a division of the English speaking nations.

Nothing could have more completely proven the versatality of the Anglo-Saxon than the fact that they succeeded in both India and America.

India was a densely populated area with a well established and organized ancient civilization. India was the wealthiest country in the world. The British trader lived among these teaming millions for the most part without friction and accumulated the results of their labour for shipment to the outside world. They taught the outside world to desire these commodities, the spices, the tapestries, the jewels, the tea and mineral wealth. They encouraged these dense populations to take the products of their factories and of the farms of the Commonwealth and thus became the greatest trading nation in the world.

But they did more than that. They brought young men and women from India to the Universities of Britain. They sent missionaries to India. They so influenced the government of the country as to establish in the heart of the educated Hindu and Moslem a desire for the freedom which is most evident where the democratic institutions born in Athens and nurtured in Britain prevail.

The result in that when India and Pakistan were encouraged to form themselves into independent states they expressed a desire to do so as partners in the British Commonwealth of Nations. We in Canada should feel proud of the fact that it is the degree of independence and freedom enjoyed by Canadians under that relationship which greatly influenced these eastern nations toward that decision.

America was the opposite to India before 1763. It was a continent only sparsely settled by wandering Indian tribes. The resources of the broad areas had scarcely been scratched. If there were going to be trade with this area it had to be colonized and developed. This they proceeded to do with such effect that when the Seven Years' War came there were two million British in the American Colonies. They lost these colonies thirteen years later, but their ideals as expressed in religion, literature, institutions of government and learning and even in trade and industrial development were so successfully established with those two million people that there are three times as many people living in the United States of America under their influence as live in Britain itself.

The British have had an experience in Canada which marks them as the most successful nation builders of all time. The Seven Years' War left them with an area they would not have been interested in had they not already colonized the thirteen colonies farther south.

It was the Seven Years' War between Britain and France in Europe which caused war between the British and French in America. The British were interested in removing from the borders of their American colonists the dangers of attack, but when the American colonists won their independence there was no longer any such interest. They had a colony in the cold northern half of the continent occupied by a few people of another nationality who spoke a different language. Little was known of its resources. Its form of government was modeled after the most autocratic which European countries had experienced, namely, the absolute monarchy of Louis XIV. With this as a beginning, the British proceeded to infiuence the building of a nation.

Their instructions to governors was to proceed cautiously in proposing changes and only to impose upon the new subjects British customs and forms when they were willing to accept them.

Under this plan it took them one hundred years to introduce into Canada representative, responsible democratic government. It required an experience of trial and error under three constitutions and a final union of all

British North America in a Federation to weld Canada into one nation under the Crown.

Canada is now as independent and free as any nation in the world, but of her own free will she gives allegiance to the Queen and in so doing forms a very important part of the Commonwealth.

At the beginning of the nineteenth century Canada had a population of only a quarter of a million—today her population is over fourteen million. At the beginning of the nineteenth century her population hovered about the St. Lawrence. Today it is scattered from coast to coast and north to the Arctic Ocean, over an area twice as large as Europe and as extensive as the United States.

Forty years ago when I entered politics one was afraid to risk a prophecy that Canada could ever have more than an agricultural, fishing, lumbering, and, in a limited way, mining population. Today one does not hesitate to claim that we have the greatest nickel deposits, the greatest iron deposits, and the greatest uranium deposits in the world. We do not hesitate to claim that our power development, our coal supplies, our oil possibilities and our aluminum production is comparable with that of any country. We say without any hesitation Canada can become one of the greatest industrial countries in the world.

Our agriculture has great possibilities. Our fisheries are unsurpassed. Our forests are still yielding great wealth. Our transportation systems are a fitting answer to the challenge of our great distances. It only requires the opening of the St. Lawrence waterway and the finishing of the Trans-Canada highway to make it complete.

These wonderful possibilities are bound to induce population to this area from everywhere, but more particularly from Britain and Europe. The end of this century should find Canada with a population equal to that of Britain.

The natural unit of the human race is the family. When sparse settlement permitted those occupying an area to move from place to place the families were organized into tribes or clans. When it became necessary to have a population associated with the development of agriculture and industry in a given area those in that area were organized into a nation. As means of transportation increased, boundaries have been removed to form larger nations.

The steamship, the railway, the aeroplane, the telegraph and now the wireless have raised the question as to whether there should be a further adjustment of boundaries. Most of the outstanding leaders in Europe, led by Churchill, favour a Federation of Europe. We in Canada are joined with others in a North Atlantic Treaty. There are those who suggest a North and South American Federation. All these suggestions are put forward as ways and meaning of promoting peace in the world.

It seems to me that the strongest political influence for peace throughout the world in the last two hundred years has been the influence which extended the British Commonwealth. It began with the Peace of Paris when the nations of Europe agreed that the development of Canada and trade with India were to be carried on under British influence.

Australia, New Zealand and South Africa, together with many smaller areas, have come under the same influence until today there are at least three-quarters of a billion people who live at peace with one another because of the existence of the Commonwealth of Nations. The friendship of the United States and her allies raises the number to about a billion.

The existence of the British Commonwealth and Canada's membership in it is the greatest influence for peace in the world today. As Canada grows greater and stronger through the development of her resources and growth in population, her continued association as an Independent Nation under the common Sovereign with all parts of the Commonwealth and the fact that she lies to the north of the United States of America could be the greatest influence in maintaining peace in the world.

THANKS OF THE MEETING were expressed by Mr. H. A. Newman.

"CANADIAN LABOUR IN 1951"

An Address by

HON. MILTON F. GREGG, P.C., V.C., C.M.G, M.C.
Minister of Labour

Thursday, November 22nd, 1951

CHAIRMAN: The First Vice-President, Brig. Colin Campbell.

MR. GREGG: A year ago last August, just after I had been appointed Minister of Labour, your Speakers' Committee was good enough to invite me to address your Club. I felt then that it would be more in keeping with the fitness of things if I gave myself time to become a little more familiar with my new portfolio before talking too much on labour matters. I expressed the hope that I might have a chance to speak to you at a future date.

That opportunity has now come. I am glad, therefore, to be able, on this occasion, to accept your invitation and to discuss some features of our labour relations in Canada yesterday and today.

As it happened I became Minister of Labour in the year which marked the fiftieth anniversary of the founding of the Department of Labour.

It was also the year of the railway strike—a labour stoppage of nine days which resulted in heavy financial loss to everybody concerned.

The stoppage threatened such disruption to the Canadian economy that Parliament was summoned to deal with it.

So, there we had two strange parallels. On the one hand the golden anniversary of the establishment of the

Department through which government procedures to deal with labour questions have evolved in Canada and on the other hand, the biggest strike in the country's history.

Although there was no lack of observance of these procedures by the parties involved in the strike thoughtful citizens everywhere were prompted to take a fresh look at what the experience of the half century could show us on labour-management relations. Perhaps, too, we looked for some sign posts for the future.

Fifty years ago when people talked about labour they spoke of "the labour problem", and the accent was on "labour". There was a pathological approach to the study of labour relations, with the stress on low wages, long hours, child labour, illiteracy and bad working conditions. Then, when a dispute arose "Labour" was the problem, not the conditions which created it.

It is difficult for us today to appreciate just what those working conditions were. By modern standards, they were not good.

The labourer of 1900 earned in a week an amount about what a similar worker now is paid in one day.

There was no limit on hours of work; no minimum wage requirements.

He was pretty thoroughly at the mercy of his immediate boss and he had, moreover, no regular means of making grievances known to management.

He was virtually held responsible for the consequences to himself of any accidents on the job. His only recourse in such an event was the common law.

A typical example was the case of a municipal employee in 1900 who was killed when the side of a drainage system he was working on caved in. His widow sued for damages on behalf of herself and five children. She lost because no negligence by the employer could be proved. Nowadays, of course, the widow and family would have received the benefits of the workmen's compensation fund.

The position of labour at the start of the century was one of hardship and insecurity. It was also the time of expansion in Canadian industry. Running through it was a promise of better living standards, coupled with the hope of the breaking down of old 19th Century class barriers.

In 1900 the idea of unions was strange. It was out of tune with the thinking of the times.

Less than thirty years had passed since printers had been jailed for union action, on the grounds of criminal conspiracy.

Many workers seeking employment were required to sign a document known by the inelegant name of "yellow dog contract". This was an agreement in which they promised their employer not to join any union.

In the Senate, a bill was introduced to exclude international organizers from Canada.

The intervening years have brought great changes in our Canadian labour picture.

Standards of living have risen.

The collective agreement was regarded almost as the exception up to the time of the second World War, today more than one-third of the industrial workers in Canada are under collective agreements. Many industries are almost 100 per cent organized.

We all know of the struggles of unions to obtain recognition in the early part of the century. But less, perhaps, is known of the differences among employees over the concept of a union.

Labour unions were by no means universally regarded by them as necessary or as a practical and effective medium through which workers might better their conditions.

It was in the 1930's that the groundwork was laid for the great increase in trade union membership.

Up to that time trade unions were organized for the most part along craft lines, that is in accordance with the skills of the workers.

The growth of large scale industry saw the development of industrial unionism taking in all workers in a particular industry, skilled or unskilled, and led to the organizing of workers in assembly-line or mass-production industries.

From 1939 to the present, trade union membership has tripled, until the figure is now well over the million mark.

Prosperous economic conditions have been favourable to this development. The achievement of unions in one industry helped to convince workers in others of the value of trade unionism.

It was also important to the labour movement that in 1944 the Government of Canada on the recommendation of a Royal Commission passed an Order-in-Council making it compulsory for an employer to recognize and negotiate with a union which had been certified as representing the majority of his employees.

This Order, which established comprehensive and orderly procedures aimed at minimizing labour disputes, was later incorporated into federal legislation. Similar laws were adopted by most of the provinces.

The legislation was generally accepted by management groups. Its existence reflects the prevalent view of management that it is beneficial in the long run to have legislative authority for the orderly settlement of industrial disputes and to give workers the right to select their own bargaining agents. This, of course, reflected a marked advance in management attitude towards unionism.

The fact is that as they have grown large and more firmly established themselves companies have begun to examine more carefully their responsibilities towards their own employees and towards their own communities.

Furthermore, as they have grown larger, companies have specialized the activities of their management officers. By the nature of things, the employer who knew all his men by their first name and felt a paternal attitude towards them, is not as common today as formerly. But likewise the corporation with the "public-be-damned" attitude is, I believe increasingly rare.

Corporations are concerned more and more about behaving in such a way as to deserve good public relations. Above all it is most important that they have good public relations with their own employees.

I am not suggesting that firms are today paying any less attention to business, or that they are more indifferent to the position of the balance sheet. But they are looking more and more towards the welfare of all the men and women who work together to make the business a success and profits possible, and are finding it good business to encourage humane practices.

A similar trend may be observed among unions. When a union is trying to establish itself in a plant, it may be rather single-minded in pursuit of its objective.

There are many cases in which a union does not win its place without a very determined effort.

We hear it said that some labour unions have "matured" in the past decade. What is meant by this?

It means that having established their right to treat with management, they are now going further and are recognizing the problems of the economy as a whole, the problems of their industry and of their employer, as well as their own.

This is taking time, just as it has taken time for other groups in the economy to reach the stage of thinking in terms of the economy as a whole.

Where unions have so developed and where they encounter a responsive attitude from employers, it becomes possible to talk constructively about labour-management co-operation.

More important still, we are able to talk of labour, management and government co-operation for the benefit of the entire economy.

If the earlier revolutionists such as Karl Marx could have listened to such conversation, the future of free people might not now be threatened by a doctrine based on half truths.

They failed to foresee the developments of which I am speaking. Whereas they envisaged constant conflict, we see as the very basis of our society the ability of the representatives of various sections in our community to gather for constructive discussion.

Labour-management relations are an important example of this. Their free and frank discussions, carried on in an organized way, which we know today as collective bargaining, are important expressions of our democratic way of life.

It is a major objective of the Labour Department to foster this type of dynamic and constructive labour-management relationship, based on the recognition by each party of the needs of the other.

Put broadly, the over-all duty of the Labour Department is to assist labour and management, to work together in such a manner that industry will function to the greatest possible advantage of all the people of Canada.

More specifically, most of the functions for which the Federal Minister of Labour is responsible fall into one or other of the following fields:

(1) The encouragement and maintenance of industrial peace;
(2) Assistance to labour and management in matching available workers with available jobs;
(3) Administration of Canada's programme of unemployment benefits;
(4) Assisting, through vocational training, in improving the quality of labour skills;
(5) The collection, analysis, and dis-semination of accurate, objective information on labour matters;
(6) Co-operation with the ten Provincial Departments of Labour and with other countries in dealing with industrial problems.

These six main activities have, of course, developed over the years, and our techniques have changed to meet new conditions.

I would say, for example, that nowadays we more frequently seek advice from people outside of government circles.

Only last week I attended the third session of the National Advisory Council on Manpower. This council was formed early this year to advise the Government on the most effective use of the Canadian working force. It comprises representatives of farmers, employers, workers, consumers, veterans and women, with those of government.

We had good discussions of the current labour situation, of the problem of probable labour shortages of skilled workers, caused by the defence programme, and alongside these shortages the problem of unemployment in certain areas and industries.

The Council urged us to push forward our programme of training workers in the skills required, and also to explore ways and means of facilitating the movement of workers into areas where there are vacant jobs.

The discussions at this and other meetings of our other advisory bodies, comprising non-government personnel are valuable, since they bring a wide variety of experience to the solution of problems we have to meet.

At the moment our defence needs have, of course, heightened the importance to our country of sound labour-management relations.

As a nation, we reject totalitarian methods. We must prove, then, that democratic procedures and the human resources of a free country can be adjusted to meet the stern needs of this period of danger.

When an industrial dispute takes place, it is in the interests of our whole society, as well as the parties to the dispute, that a solution be found.

We hold strongly to the view that labour and management, within the broad framework of collective bargaining, must be encouraged to work out their own difficulties.

It is true, of course, that there should be an adequate balance of power between the two.

In the earlier days the balance usually weighed in favour of the employer. Voices are not wanting today which claim that the balance has shifted.

But so far, I find little evidence to weaken my faith in the efficacy of collective bargaining as a means of reaching sane and fair solutions to labour-management disputes. I look forward to improvements in this relationship as one of our hopes for higher productivity and for a greater unity of purpose within our country.

This cannot be done by legislation or decree. Nor can it be brought about even by the passive acquiescence, however dignified, of one group to the wishes of the other.

Time and again we observe situations where resentment on either side over a previous attitude is the major factor in holding up the settlement of a current dispute.

The ideal labour-management relationship certainly is not one of complete and perpetual agreement. There will always be differences in viewpoints, and these must be recognized and discussed. But, they cannot be discussed with any degree of satisfaction unless both sides feel secure in their relationship, and each feels it is dealing with a party that will adhere to the agreement when it is reached. Mutual respect and mutual confidence must exist here.

The Labour Department has been encouraging this trend by sponsoring the establishment of labour-management production committees. The function of the committees is quite separate and apart from collective bargaining. It is to find ways of improving production by studying a variety of problems such as plant methods and processes, quality of output, and safety and health.

But to the extent that the committees succeed in providing scope for the creative energies of workers they help to perform a larger function—that of improving the psychological, as well as material rewards of industry, of stimulating the growth towards a richer form of human endeavour.

Future production increases will depend largely on how successful we are in finding better and more cordial ways of working together. Mechanical ingenuity has only so much to offer—human relations are paramount.

Thus, today, we approach our problems bearing in mind the creative functions of labour and management in our economic life.

The needs of our times put a great responsibility on the shoulders of both labour and management, as indeed they do on the shoulders of all of us.

It is my conviction that labour has moved farther in meeting its share of responsibility than most of us realize. With dramatic suddenness, after the close of World War II, Canadian labour moved to eject such Communists as were holding high office within its ranks.

This action, was the crystallization of a slowly developing conviction that this was a task which had to be done.

It was not an easy task, nor was it a pleasant one. But it is to the everlasting credit of Canadian labour leaders that, ahead of many sections of the population, they saw the need and had the courage to act with strength, wisdom and speed.

You may ask how it came about that labour was able to see the issues so clearly. There are a number of reasons. I would emphasize the high quality of responsible Canadian labour leaders.

But I think the most important reason of all is that, after the hard years at the start of the century, after the devastating experiences of the nineteen-thirties, labour has developed a stake in the community. And labour knows it. Labour has a stake in Canada.

This is true in economic terms. Labour has shared in the general rise, over the years, in our standard of living. It is also true in terms of our democratic institutions. Labour is aware that it is only under conditions of freedom that industry has been able to make such strides. Labour knows, too, how this Canadian climate of freedom has made it possible for their unions to flourish.

You will find no body of people in this country with a more confident faith in its future than at a Convention of one of the major Canadian labour organizations.

I believe we can reflect with pride on the growth of educational facilities in Canada, the rise in wages, the betterment of working conditions and the improvement in industrial processes.

We can think of the gradual development of responsibility by management for the well-being of its employees and for the general good of the community.

We can reflect that all these developments have helped our working population to achieve a stronger sense of economic and social security, combined with a firmer faith in our Canadian institutions.

At home, I have seen labour resisting the anti-democratic forces which have sought to weaken its organization and Canada from within.

Abroad I have seen Canadian labour extending a helping hand to those of its confreres in other lands who are keeping alive the principles of democracy. In the International Confederation of Free Trade Unions the representatives of labour from Canada have raised their voice for freedom and humanity.

All of these signs convince me that while their are still important issues for all of us in the field of human and labour relations we have moved a long way during the past few decades.

Moreover, we have today throughout Canada a firmer faith than ever before in the democratic process as a means of seeking the solution of the problems of Canada and of the Free World.

THANKS OF THE MEETING were expressed by Mr. J. B. Metzler, Deputy Minister of Labour, Province of Ontario.

"LET'S RETURN TO DIPLOMACY"

An Address by

PERCY JAMES PHILIP

Ottawa Correspondent, The New York Times

Thursday, November 29th, 1951

CHAIRMAN: The President, Mr. D. H. Gibson.

MR. GIBSON: Members and Guests of The Empire Club of Canada: Mr. Percy James Philip our distinguished Guest and Speaker is with us today for the 11th time in 11 successive years. A record we earnestly trust will remain unbroken for as long a time as he is avilable.

I would like to assume because of the very valuable contribution Mr. Philip has rendered in his treasured messages to this Empire Club from this day on we name him not only our distinguished guest but also our friend.

For 34 years Mr. Philip has rendered outstanding service in his association with that great institute "The New York Times".

We offer to him and all his associates our congratulations for the sustaining influence and power of this noble newspaper recently celebrating its 100th Anniversary. Mr. Philip is a Scotchman, a product of The George Watson College, Edinburgh and later Oxford University. For 21 years he dwelt in France and for 11 years he has represented his great Newspaper at Ottawa. I want to make one reference to Mr. Philip's message to us a year ago when he said among many impressive statements:

"Envious people have sought to give our Empire a bad name, but it was the greatest social, political structure ever built by man." An inspiring conviction we do well to hold fast with great determination. It is a special pleasure to present Mr. Philip who will address us on "Let's Return to Diplomacy".

MR. PHILIP: It is a very great pleasure to me to come and speak to the Empire Club each year, for many reasons, but especially because it always restores my confidence in myself. I know that you would not ask me back again if you did not approve of what I said, and I know that you would not approve of what I said unless it made sense.

I never fail to read all the speeches in the bound volume which you publish each year and the standard is so high that I feel flattered to find my own contribution included, and, gentlemen, right here let me say that nothing makes a man, or a woman, or a nation feel and behave better than a little flattery, or shall we rather call it appreciation, expressed in word or deed by someone they respect. Trouble always begins with rudeness and insults.

It is with that remark as preface that I propose to go straight to my today's subject—the discarding of the art of diplomacy and the necessity we are under to return to it if we want to prevent the hysterical way we are quarreling publicly about peace turning into a shooting war.

As some of you will remember I have never at any time been an enthusiastic believer in the United Nations Organisation as offering a good solution of the problem of how nations can be brought to live together amicably and in mutual respect, each keeping its own individual culture and character.

At the same time I have hitherto abstained from being critical. A newspaper reporter learns early in life not to allow himself to be easily impresed by pontifical people with big sounding ideas, and he also learns not to be too precipitate in criticism and above all not to be himself pontifical. But the situation is becoming so dangerous that I think the time has come to speak frankly.

To some it may seem almost treasonable to suggest that the United Nations has already proved wrong in method however laudible it may be in intention. But even the most stalwart defender of the world parliament now meeting in Paris can scarcely approve the way in which differences and conflicts are being acerbated by intemperate language.

Of course those who either out of conviction or lack of courage to face the truth, feel they must justify the U.N. conception and practise may find it quite sufficient and quite satisfactory to put all the blame on the Russian Government. That is the easy way out.

But surely it would have been a lot wiser to have considered at the outset how the Russians might be expected to behave before we started building this enormous costly and windy organisation and let them in on the ground floor.

I find that with remarkable sapience I suggested to you in January 1946 that it might be a mistake to think that all our dear allies would prove to be as easy going, as peace loving and as reasonable as ourselves. I even had the audacity to say that the Empire of satellite and subject states that Russia was building in Eastern Europe and Asia was not in the least like the Commonwealth collection of independent self-governing peoples and that it might not be wise to admit into our peace organisation those governments which did not permit free elections, did not even know about habeas corpus and regarded the liberty of religious worship, of assembly and of the press as extremely dangerous.

Nobody wanted at the time to listen to any such forebodings. We were all in a hurry to start a new heaven on earth, and were still confident that Mr. Stalin and his associates were on our side. It was in vain that Mr. Churchill on his return from the Yalta conference warned the House of Commons: "We have entered a world of imponderables and at every stage self-questioning arises" Few were in a mood for self-questioning. The ballyhoo movement had begun which has saddled us for better or worse with the UNO its discordant disunited members, its immense secretariat, its huge building, its division of the nations into two and possibly three bitterly hostile camps and its wrong methods.

It is to some of these wrong methods that I wish to draw your attention today, not in critical destructive way but in the hope that perhaps, if they are frankly discussed they may eventually be mended. And because I think that if one indulges in criticism it is only fair that one should be ready to put forward an alternative I shall submit to you that if we are to avoid getting into an even worse mess it is time to return to the diplomatic method of conversing between nations and let the UNO founder as the League of Nations did when its worth had been destroyed by those who used it for their own national interests and sought to make it do what it was not capable of doing.

Now it is usual among U.N. defenders to denounce the veto power of any member of the Security Council as the worst fault of the organisation as it tends to destroy its authority. What has certainly been demonstrated is that the Russian government will take advantage of that veto clause at every opportunity when it suits its interests and will disregard it when it works contrary to these interests.

But although I know that I am treading on delicate ground I should like to submit to you that when the invasion of South Korea by the Communist trained forces of North Korea began in June last year it might have been better if Russia had been present and had taken part in the discussion of what should be done.

As I have said I know that I am on delicate ground for all kinds of emotions have been aroused by the Korean war and have confused our thinking. Canadian soldiers, sailors and airmen are fighting there with old courage and skill. You are justly proud of them. I confess that I got a special thrill the other day when I read of the good performance of the KOSBs a regiment to which I am specially attached. The Americans, the French, the Australians, the Turks and all the other peoples who have sent contingents to the UN forces have reason to be proud of their own men's share. More than that it has given us all a bitter hope that we will be able to form a united force drawn from all the nations of good will to keep peace and impose it on an aggressor.

And yet I feel that most of us now think that the war in Korea should and could have been avoided, and that it would have been better in those June days last year to put all the pressure possible on Moscow and Pekin to make their support of the North Koreans difficult if not impossible than to rush into such a complicated struggle. We might have failed. It is indeed probable that we would for neither the Russian nor the Chinese Communist governments are easy to persuade or to bring to agreement. But I do not think that our position would have been worse than it is now. We have been fighting for eighteen months—fighting hard and have reached no conclusion. Our efforts conducted on the field by generals to reach some kind of armistice have put us at times in a position of what the oriental would describe as lost face. It is a risky position and it could easily become disastrous if those who were so hot for war last year should now become cold and agree to terms which might be interpreted all over Asia as an admission of failure.

I shall not stress the point. I know you appreciate how grave and how delicate the position is and how dangerous the practise can be of leaving it to generals on the field to try to find a way out. There never was a better instance of the need for diplomats working secretly a long way distant. The veto power which may prevent a small war starting is, I contend, much less of an evil than the lack of ability to end a war once started.

There is where we come to what I consider the greatest weakness of UNO. It has so far been more inclined to be swept by emotion than controlled by wise judgment.

One reason is of course that it was born amid emotion and fulsome flattery as "mankinds last chance" and "the only hope for civilisation" at a moment when everybody was shocked and horrified by the first uses of the atom bomb. It consequently quickly developed what may fairly be called a "sacred cow" complex which its bishops and priests are careful to nourish so that a great many people have come to believe that there is no other way that theirs of maintaining international peace and security.

And yet—the world got along remarkably well for a good many centuries before the UNO was invented. We had wars of course, but usually we managed to limit them to some corner of the world while the other nations remained neutral and exercised a kind of control over both belligerents. Take for example the Crimean war in which Russia, Turkey, Britain, France, and even if I remember right, some Italian troops were engaged. Yet the war never spread far beyond the actual battle-field. The rest of the world was able to go on its way in relative quiet and there was no threat of everybody getting involved.

And take another case. What a mess we would all have been in if a Security Council had tried at the time to decide who blew up the Maine and who was the aggressor in the Spanish-American war, and had called on everybody else to join in. It was really far more in the interests of peace and humanity that neutral diplomats in every capital could quietly on instructions from their Governments set about the delicate work of getting the belligerents to calm down and so securing a settlement before too great damage was done.

Of course we had the definite advantage in these days of last century that we had not all become steamed up with an assumption of moral superiority. We knew we were all sinners and although Mr. Gladstone inclined a little along the way of the evangelist we did not all strike attitudes of righteous indignation in the way our governments are now all inclined to do in their efforts to assure us that only they are above reproach.

In the cases like the Franco-Prussian, the Spanish-American and the Russo-Japanese wars conversations at what is now called the diplomatic level were immensely helpful in bringing hostilities to an end and enabling peace to be made.

I used to listen with wonder and misgiving to some of my American colleagues at the end of the first war with Germany denouncing the "striped pants" diplomats and pinning their faith for the future on round table get together conferences of the representatives of the people. It sounded wonderful. I hoped it was true. But there was never more naive nonsense proponded with such fury of sound.

During the years that followed I watched all the peace treaties being made and attended many sessions of the League of Nations. At all of them I found the principal weakness was that instead of sending carefully briefed delegates and skilled diplomats it became the habit for Prime Ministers, Foreign Ministers and Defense Ministers to attend and try to do everything themselves.

You know the result. All, or nearly all of them went on record and took positions which they could not possibly maintain and most of them were all the time looking nervously over their shoulders to see if public opinion at home was behind them.

The case has been infinitely worse in the United Nations. Instead of staying at home and instructing their striped pants ambassadors and envoys, picked men and not the chance jetsom of popular election, to move a pawn here or withdraw a knight there, all in the most polite and unobstrusive manner, our foremost Ministers have come to think that they must attend every conference, make great public proposals from which there can be no retreat, abuse all those who differ from them and create an emotional world as highly explosive as any atom bomb.

Their example has been quickly followed by others so that we are being treated to the spectacle of foreign ministers of nations incapable of self defence, whose peoples are politically immature and in many cases illiterate using the United Nations as a platform from which they can appeal to the emotions of their followers in the name of principles which they themselves would be the last to put into practise.

I am frankly afraid of this emotionalism which is sweeping the world and flames so brightly at each U.N. assembly, of the moral evangelical indignation of the west, of the unstable excited ambitions of the east, of the greed, envy and hate which lie behind so many demands for change. There is fear everywhere, of the atom bomb, of the concentration camp, of the assassin who creeps through the Malay jungle, of the Moslem fanatic, and in Europe, with some justice of being again made a battle field which some consider worse than being occupied by an enemy.

I do not claim that a return to the method of international conversations through ambassadors instead of publicly by politicians in open meeting and over the air waves would be immediately or even ultimately successful in preventing the present emotional ferment from bursting into war. But it is obvious that we must try some way of reducing the fever which is threatening to destroy that frail flower of the spirit and the mind of man that we call civilisation. And I would suggest that the first step to be taken is to stop this absurdity of announcing great peace plans in dramatic speeches and then quarreling bitterly because the other fellow does not immediately accept.

How can he? If Mr. Acheson was to seem to accept anything Mr. Vichinsky proposed he would be immediately denounced by a posse of American Senators as a Red fellow traveller. If Mr. Vichinsky was to seem to agree with Mr. Acheson he had better not return to the Kremlin.

They would both do better to call a truce to speeches and peace proposals and concentrate on studying through their diplomatic missions how rival political ideologies and national governments have in the past managed to live together in relative peace and take them for an example. It seems to me that men who managed to split the atom should have skill enough to reach an agreement not to destroy each other.

Gentlemen my time is up. I would like however to add one word. I have said nothing about the North Atlantic Treaty Organisation and the setting up in Europe of an integrated force at present under the command of General Eisenhower to which Canada has sent a fine contribution. That is another story and deserves separate treatment. To my mind the necessity for NATO lay in the failure of UNO. And fortunately it has so far avoided most of the mistakes and weaknesses of the United Nations. Its membership is restricted and I for one hope that it will remain restricted to those people who understand what we mean when we talk about liberty, responsible government, habeas corpus and free elections. If we start taking in others because of what the military mind calls strategic necessity then our cause will be compromised and our real strength diminished.

Only free men can defend freedom and only nations which are and feel themselves to be independent and equal within their cooperative organisation will stand together to the end and win if ever we have to face the barbarian challengers of our Christian civilisation.

Another thing; we must always be moderate in our language. If our diplomats are to be successful in their dealings they need behind them such a force as is being created, but there must be no boasting, no threatening above all no provocation. This composite army which is being formed in Europe may be very fine and have the atom bomb behind it, but when I think of what it may have to meet I remember Fitzroy Maclean's description in Eastern Approaches of the Red army advancing on Belgrade: "They were certainly not smart" he wrote. "Their uniforms were torn and stained. Their boots as often as not were completely worn out. They were an extraordinary medley of racial types from the flaxen hair and blue eyes of the Norseman to the high cheek bones and yellow complexions of the Mongol. But they were experienced self-reliant seasoned troops. Ragged and unkempt though they might be their weapons were clean and bright. Every truck we saw contained one of two things: petrol or ammunition. Of rations, blankets, spare boots or clothing there was no trace. Almost every man we saw was a fighting soldier. What they carried with them were materials of war in the narrowest sense. We were witnessing a return to the administration methods of Attila and Genghis Khan. There lay one reason for the amazing speed of the Red Army's advance across Europe.

"Thinking it over and recalling the numbers of dentists chairs and filing cabinets which were landed in Normandy at an early stage of the Allied invasion, I wonder whether we ourselves could not profit by the Russian example."

In Malay we have seen how a few thousand guerilla bandits can immobilise a large military force immensely better equipped. In Korea the superiority of our arms and of our organisation have not yet beaten the enemy. Let us beware of entering a war with those people who do not fight according to our rules just as they do not share our political social and moral conceptions.

There never was a time when it was more necessary to speak softly and carry a big stick. In that NATO army which is being built in Europe we can have a stout stick if we build it for fighting efficiency and not for size and do not overburden it with unessential and expensive equipment. It must not be too heavy for our people to carry.

For that reason it is essential that it should be kept under civilian control. It is hundreds of years since the English people settled it that soldiers were under the control of and could not dictate to our civilian governments and parliaments. This is no time to depart from that good rule. We are facing the challenge of a totalitarian system but that is no reason for going totalitarian ourselves. If we are to come through this test of strength of the free democratic system we must hold fast to old well-tried methods and the experience of our ancestors who built our freedoms.

I said when I began that if I criticised I would also try to suggest a better way of doing things than we have seen recently. That better way is not difficult to find. It begins with the old adage that every man should stick to his job. It is for our Ministers to establish and carry through policies which have been sifted and approved by their parliaments representing the people. It is not their job to make bellicose speeches, hurling accusations with a loud voice into the empty air and, with a great show of moral and intellectual superiority taking positions which have no prospect of fulfilment and from which once announced they cannot retreat.

It is for our diplomats to carry out the instructions of their governments seeking patiently, quietly, intelligently and by private negotiation and without passion that peace by agreement or, if not by agreement at least by mutual assent, which all peoples, Russians and Chinese as well as ourselves desire.

It is for soldiers, even great generals, to carry out the orders of their governments and not to initiate policies or engage us in adventure.

If we keep these rules we can win this cold war. If we do not keep them we will go fumbling forward into a hot war, so hot that none of us will be able to hold it, none will escape burning and we shall all be fortunate if we can avoid perishing in the flames.

THANKS OF THE MEETING were expressed by Mr. J. Morgan.

"BOUNDARY WATERS BETWEEN CANADA AND THE UNITED STATES"

An Address by

GENERAL A. G. L. McNAUGHTON
Chairman, Canadian Section, International Joint Commission

Thursday, December 6th, 1951

CHAIRMAN: The President, Mr. D. H. Gibson.

MR. GIBSON: In the progressive growth of Canada as a Nation amid this rapidly changing world, men of very great stature are needed. Canadians have through sacrifice, through adherence and respect for Law achieved Nationhood. We have made a contribution among the Council of Free Nations, of which our Commonwealth or Empire is the finest expression of free peoples, due to the fact there have been sufficient numbers of men with a high spirit of devotion willing to dedicate themselves to their responsibilities that carry with them the preservation of freedom. honour, betterment regardless of race, creed or religion. Not many men in our generation have served Canada with so great devotion, always loyally holding the honour of Canada high and because of his very gifted mind, Canada and Nations outside Canada have honoured him with Decorations and Honours. Since 1910 at McGill our distinguished guests record is brilliant but much more it is a famous record indelibly written into our Canadian History.

1910 Lieutenant in Battery C.F.A.
1942 Commander-in-Chief Canadian Army Overseas.

1944 Promoted to rank of General.

1946 President Atomic Control Board at Ottawa.

1948 Permanent Delegate to United Nations for Canada.

1950 Chairman, Canadian Section, International Joint Commission.

8 Decorations, some 28 Honours, Gentleman—General, The Hon. Andrew McNaughton.

GENERAL McNAUGHTON: I last had the privilege of speaking to the Empire Club of Canada on 2 May 1929 and I count it a very high compliment to be invited to speak to you again. In 1929 I spoke to you about our Defence Forces and the developing needs of our situation in the world as it then was. Today I am very pleased indeed to have the opportunity to talk to you about our problems in relation to "Boundary Waters and Waters which cross the Boundary".

These problems are difficult, not only because of the technical considerations relating to the use of water but they are complex because they involve matters which are of concern both within Canada, between the Federal Authority and the particular Province affected, and also externally in the conduct by the Federal Authority of our affairs with the United States.

Questions which are under consideration in "Boundary Waters" come under the jurisdiction of the International Joint Commission and in dealing with certain of the more important of these questions which are, or have been, before the Commission, I propose to mention more specifically those which are of current interest to the people of this part of Canada by reason of the fact that they relate to the use of the waters of the rivers and lakes along our southern boundary from the Lake of the Woods which lies between Manitoba and Ontario, eastward through the Great Lakes and their connecting channels, and down the St. Lawrence River to Lake St. Francis where Ontario joins Quebec and thence continuing on down the national section of the St. Lawrence to the sea.

The questions at issue in this vast region involve every aspect in the use of these waters for navigation, for the generation of power, for domestic and sanitary purposes; questions also arise concerning the conservation of these waters and of measures to prevent their pollution and in many of these matters, both along the boundary and in waters flowing out of boundary waters the Commission is closely involved.

Along other portions of our boundary with the United States the Commission is likewise deeply concerned with problems of the same character and also with other aspects of the use of water. On the border between Alberta and Montana, for example, the use of water for irrigation has for many years been a primary consideration, and one of the earliest tasks assigned to the Commission was the measurement and apportionment of the waters of the St. Mary and Milk Rivers, both of which rise in Montana and flow across the international boundary. The waters of the St. Mary flow into the Saskatchewan and on into Hudson Bay; the Milk returns to Montana after passing eastward for 100 miles or so in Alberta and joins the Missouri which is a principal tributary of the Mississippi.

The task of dividing the waters of the St. Mary and Milk Rivers assigned to the Commission by the Treaty of 1909 was in due course successfully accomplished in a manner deemed equitable, even though neither party at the time felt that they had been given everything to which they considered themselves entitled. The aspect of the matter of greatest importance was that an acceptable decision was in fact arrived at and that in consequence those who wished to proceed with the irrigation of the land could make the large investments which are necessary in the confidence that they would not be disturbed.

In the result, both in Alberta and Montana, in the area served by the waters of these rivers the sage brush and sparse grass of the arid prairies has given way to a rich and dependable agriculture. Great prosperous communities based on the use of water on the land have come into existence and these newly-created and widely diversified consequential interests continue to develop and to acquire permanent substance and stability.

Similar problems, but concerning other rivers of Montana and Alberta, are now again before the Commission for consideration and report to the two Governments.

Between British Columbia and the States of Washington, Idaho, and in part Montana also, the problems presented to the Commission vary again. Here the first need is for the control for flood protection of the waters which come down in sudden spate from the glaciers and snowclad slopes of the Rockies under the effect of the strengthening sun of spring and early summer. Here too the use of water for power has become of very great significance and particularly so the conservation of flood waters and its storage to even out production during the low water periods of late summer and winter. The possibilities of storage are so great that it will even be possible in some watersheds to regulate the flow over a period of years, thus eliminating the effect of dry years in a cycle.

The questions at issue in international boundary waters between Ontario and the adjoining states to the south involve primarily both questions of navigation and of power and these questions extend their interest also to Quebec in the national section of the St. Lawrence. Irrigation in these parts has not developed into a question of any great significance although flood control and the use of water for domestic and sanitary purposes continue to present problems, some of which are of considerable complexity because the vagaries of the currents in the rivers and channels give rise to a danger that pollution of boundary waters arising in one country will affect the waters of the other country also.

As regards navigation—along the rivers and through the lakes of the St. Lawrence basin there have already been created and there are now in existence and continued use very extensive systems of canals and locks and dredged channels. These facilities, in their day, were fully adequate for the passage of the then existing traffic and commerce of the two nations, but now, with the march of time and the progress of invention and the growth of our economy, these facilities have become out-moded and they are no longer adequate to carry the ships which it is desired to move through them in the service of our expanding industry even in peace; and certainly these navigational facilities have been proved, by the most careful analysis, not to have the capacity to measure up to the requirements which are necessary for defence in the very anxious times and uncertain conditions through which we pass and similarly, as regards power, there have been substantial developments; at the rapids and falls on both the Canadian and United States sides of the great waterways of the St. Lawrence system there have been created hydro-electric plants for the generation of power; these represent a very great continuing value, particularly on the Canadian side where the developments are being pressed forward in Quebec and continue to be pressed in the international section by the Hydro-Electric Power Commission of Ontario to the very limit of what is permitted by International Agreement. Nevertheless, as matters stand, not more than perhaps a third of the power potentially available from the falling waters on the St. Lawrence including the Canadian Section is being used. Some of these developments we can make ourselves at our own convenience but in most cases international considerations are involved and so in respect to navigation and in respect also to power there are projects of immense importance which need to be freed from the existing international inhibitions so that they can be undertaken at the earliest practicable date and carried out for the benefit and welfare of the peoples both of Canada and of the United States.

So also in such matters as the stoppage of the pullution of these waters by sewage and by the discharge of the wastes of chemical and other industries; in the conservation of their scenic beauty; and in their use for recreational purposes, there are many problems of great concern both to Canada and to the United States which call urgently for solution.

In the considerations which must be taken into account in working forward to the solution of these many and varied and complex problems so that benefit and satisfaction may come to the people of Canada—and more especially to the people who live in the region—we are never at liberty to forget that there is always another group of people, usually more numerous than ourselves, who have a like interest and equal right with us in the outcome. In fact, no solution for any major question arising in the use of "Boundary Waters" is possible except by agreement which respects the rights and interests of our neighbours; and certainly we have learned by long experience, which on occasion has been very painful, that progress with these matters only becomes possible when the views currently held on either side of the boundary and the wishes of the two peoples have come into full accord and have found expression in a unified purpose preferably by Parliament and Congress.

Whether this takes the technical form of a "Treaty" or of an "Agreement" duly ratified or merely of an understanding informal or otherwise by which the matter may proceed without objection by either side, does not seem to matter very much because once great works have been created in agreement, however arrived at, we can be quite certain, as a result of our long and friendly association, that no one in either country will interfere in their use to the detriment of the other party.

However, where new projects of great magnitude are under arrangement, and particularly in the case of those in which some outmoded facility or vested interest has to be displaced, it is seldom easy, even in one country, to effect progress, but where, as is the case in the regions along the St. Lawrence, the resources to be developed are shared by separate communities, then the difficulties presented to the inhabitants on either side in coming together and making effective arrangements for the development of their joint interests are almost insuperable if they have to proceed separately through the ordinary national, economic, legal and legislative systems of their respective countries.

At the turn of the century, with the invention of the electric generator which could be set in motion by the power of falling water and with the evolution of the means of transmitting electric power over considerable distances, these limitations became particularly apparent to the leaders of the two nations which share the St. Lawrence where immense resources had thereby become potentially available to be turned to useful account. Under the stimulus of this interest and necessity a system was in fact evolved through which the difficulties of separate and distinct communities in working together could be overcome. This system is set forth in the Treaty of 1909, usually referred to as the Boundary Waters Treaty; but its usefulness is by no means confined to question concerning the use of waters.

The fundamental conception of this Treaty is both to dispel trouble arising, or threatening to arise between the two countries or their peoples and also to provide a means through which their joint aspirations, particularly as regards the useful development of the vast resources of their "Boundary Waters" can be fulfilled. The methods adopted are in many instances quite novel in character and nowhere else, between any other two countries have they ever been brought into effective use, either before or since.

The Treaty of 1909 established the International Joint Commission, a body composed of six Commissioners, three on the part of the United States and a like number on the part of Canada. The members on either side are equal so that, if the Commission is to proceed at all in the matters which have been referred to it, it must proceed by agreement and this principle has also been followed by the Commission itself in the establishment of the many international engineering boards and committees which it has had occasion to set up to assist it in the discharge of its duties during the 40 years which it has been in existence. In order to discharge these responsibilities effectively the Commission has been armed with authority which, in certain precisely defined spheres, has been placed above that of national law.

For example, and unless there has first been a special agreement between the Governments of Canada and the

United States "no further or other use or obstructions or diversions, whether temporary or permanent of "boundary waters" on either side of the line. . . shall be made except by the authority of the United States and . . . Canada within their respective jurisdictions and with the *approval* of the International Joint Commission."

By these provisions the power to initiate plans for the deepening of channels, the construction of breakwaters, the improvement of harbours, and the like, is left to the respective Governments on their own sides of the line, provided that the results "do not materially affect the level or flow . . . at the other . . ." in which case the plans must be submitted to the Commission for "approval".

Article IX of the Treaty of 1909 provides that "any question . . . involving the rights, obligations or interests of either in relation to the other . . . along the common frontier *shall* be referred . . . to the International Joint Commission for examination and report, whenever either . . . the United States or . . . Canada shall request. . . ."

It was pursuant to these provisions that in January 1920 the question of the further improvement of the St. Lawrence River between Montreal and Lake Ontario for navigation and power was referred to the Commission for examination and report; to assist in the consideration of the engineering aspects of the matter a Board of Engineers with a representative from each country was set up to report to the Commission.

The Commission and the Engineering Board gave careful study to the matters which had been entrusted to them and after the conduct of a most comprehensive series of public hearings in both countries so that "all parties interested therein" should be given convenient opportunity to be heard . . ." the Commission reported recommending the project and put forward the principles which should govern the evolution of the final engineering plans, the allocation of costs as between navigation and power, and the incidence of these costs as between the two countries. The Commission recommended that the Governments of the United States and Canada should enter into a Treaty for a scheme of improvement of the

St. Lawrence River between Montreal and Lake Ontario accordingly.

This report was rendered in December 1921 and since then, that is for 30 years, the matter has been before both Governments in an endeavour to negotiate and obtain approval for the Treaty or Agreement recommended by the International Joint Commission.

Up to 1928 there was little disposition in Canada to proceed because it was felt that we were perhaps still overburdened financially as a result of World War I. However, from then on the situation changed and ever since the project has had the full support of Canada. Forceful statements to this effect have been made repeatedly by the Prime Minister and other Ministers which have made it clear that our country continues to stand ready to go on with the St. Lawrence project for navigation and power on the basis of the Agreement to share the costs negotiated in 1941 whenever the United States will be willing to proceed.

This procedure is preferred not because Canada might have any difficulty in financing the work which would not be the case, but for the reason that any new Agreement might involve lengthy discussion which it is desired to avoid because it has now become most urgent that an early start be made on construction.

This need for early action applies not only to the works contemplated on both sides in the International Section of the river for power for which there have long been unsatisfied markets in each country for their respective shares; the need applies also for early action on the construction of the navigation facilities which recent estimates show will be used, well up to capacity, as soon as they are made available and because their absence has become a serious disadvantage to the trade and commerce of Canada.

Mr. Howe has pointed out that now that the principal of tolls to cover the operating, maintenance and amortization costs of the navigation facilities has been accepted by both countries it makes very little difference as to whether the capital costs are shared at the start or written off from revenue later. He has proposed therefore that subject to arrangements being accepted for an appropriate U.S. Authority and Ontario to handle themselves the profitable developments for power on their respective sides of the boundary, the Federal Government of Canada would agree to construct all the works required for navigation not only in the national section of the river in Quebec but also in the International Section above Cornwall and St. Regis. To this end it is proposed that the navigation canal locks placed on the New York side in the earlier plans should now be built on the Ontario side where it is said they will give a somewhat greater traffic capacity but at some additional cost.

As you well know, an agreement covering the power aspects of this alternative to United States participation in the seaway part of the project was signed in Ottawa on Monday last by representatives of the Federal Government of Canada and the Government of Ontario.

Similarly to the support consistently given by the Government of Canada to the development of the St. Lawrence for navigation and power also in the United States, each President in turn, from President Harding through Presidents Coolidge, Hoover, and Roosevelt to President Truman, has endorsed the project and sought the approval of Congress in one form or another for its execution. This favourable attitude by the Government of the United States continues at this time, when the matter is again being most strongly urged by the members of Mr. Truman's Cabinet that the project should be pressed by reason of the great urgency of providing improved navigation, particularly for the carrying of iron ore and also by reason of the urgent need for more hydro-electric power. The representations which have been made to the Congress of the United States favour the combined project for navigation and power as conferring the most far-reaching benefits to the peacetime economy of the two countries; they make clear also that the early completion of the works for navigation and power is a vital matter in relation to the defence of the North American continent in this period of deep anxiety and great concern.

In addition to the favourable report and recommendation given by the International Joint Commission, the project for the combined development of the St. Lawrence for navigation and power has been repeatedly before a succession of National Advisory Committees and the like both in Canada and the United States. In every case the project has been endorsed.

It has also received the attention of a series of joint Engineering Boards, where the design of the works required has been developed in great detail and to the point that there is no longer any significant question outstanding between the technical representatives of the two countries.

The project as it stands has recently been most completely described by Mr. Chevrier, the Minister of Transport, in a series of addresses to the public in Canada and again on Tuesday last in the House of Commons. In consequence of these recent and authoritative statements to the public I will not attempt to give any detailed account of the present situation in regard to navigation and traffic on the St. Lawrence.

Except to remind you that on the Great Lakes system from Lake Superior to Lake Ontario inclusive facilities for navigation on a basis of 27 feet depth are steadily coming into existence. All locks required have already been built with 30 feet or more on the sills and so it is only a matter of simple dredging to increase the depth of the connecting channels as this may become desirable in the future.

From the sea upwards to Montreal, as I have already mentioned, there is in existence a channel of 32.5 feet depth and this channel presents no limitation whatsoever to any ocean ships which we might reasonably expect would wish to use it. Moreover the same steady persistence in the pursuit of the fulfilment of the over-all plan is evident in this section of the river and on up to Beauharnois, here for example, in connection with the development of power the channels for a usable depth of 27 feet required for navigation have been substantially completed; all that remains to be done at Beauharnois to carry navigation past the rapids at that point is to finish the excavation and build the locks and approaches which have been designed to fit right in with the existing structures.

No deep water construction has yet been carried out at Lachine but here the plans have been developed and it has been shown that the project is practicable either for navigation alone or for navigation and power jointly, which would give an even better navigation link. Thus at its ends and throughout most of its length the project of a deep waterway is already a reality or is steadily becoming so.

I now turn to the short section from St. Regis opposite Cornwall, where the middle of the river becomes the international boundary, to Prescott to which deep water extends some 67 miles down river from Lake Ontario. This is the international part of the project between Montreal and Lake Ontario which is the subject of the recommendation for construction made by the International Joint Commission to the Governments of Canada and the United States, and since repeated many times by other competent bodies.

Between Montreal and Prescott the presently existing facility for navigation is the system of 14 feet canals built by Canada many years ago to overcome the difference of level between Montreal at 20 feet and Lake Ontario at about 240 feet.

This short section of the St. Lawrence River is only passable by small ships of the 2000 ton class and thus presents a barrier to the commerce and trade of the basin which either prevents its development or at least requires the expensive and time-consuming process of trans-shipment once, and sometimes twice, thus creating a burden which has long been felt to be intolerable, more particularly as the effort needed to overcome it cannot be regarded with present day facilities for construction, as anything which is really of any very great magnitude.

The latest estimates of costs under the 1941 Agreement between the United States and Canada for new works give the total cost as 704 million dollars; Canada's share is given as 200 million, principally to provide the navigation facilities in the Lachine section. The total to be spent by the United States is put at 484 million, which it is said would substantially equalize the costs incurred, or to be incurred, by the two countries in this undertaking of mutual advantage to provide a seaway up the St. Lawrence and into Lake Superior at the head of the Great Lakes. For these capital expenditures we would obtain the full benefit of 27 feet depth for navigation from Montreal to Lake Ontario, thus eliminating the troublesome and very expensive and time-consuming bottle necks which now hamper existing traffic, and which would be particularly disadvantageous in the inward movement of iron ore, which is about to become very important in our defence arrangements. These expenditures also include the funds required to deepen the Welland Ship Canal and the channels from Lake Erie through to Lake Superior to provide for 27 foot navigation.

In addition to thus freeing navigation, the expenditures I have mentioned would provide for the construction of the dams and the complete installation of turbines, generators, and power house equipment to develop 1.1 million horsepower on the United States side and a somewhat larger amount on the Canadian side at the Long Sault Rapids on the international section of the River. As I have indicated the unit cost for power to be derived from these installations is very low, probably about half of what the equivalent cost would be for steam plants, assuming steam plants of this capacity could be built at this time and kept supplied with fuel.

In the evidence which has been presented during the last year before the United States Congress and elsewhere it has been made clear that the United States half share of the power to be developed in the International Section would only represent about the annual increment of load in the area to be served. As regards the Ontario share we know from the statements made by Mr. Saunders, Chairman of the OHEPC that it could be absorbed quicker than it could be produced even having regard to the large increment which will be available from Niagara.

As for navigation—recent studies indicate that the savings on traffic will far exceed costs including those for full amortization of the navigation facilities with consequent large benefits to be divided between producers and consumers to the great advantage of trade and commerce after all the costs have been recovered in the form of tolls. And lest anyone should think that the suggestion of this matter as a business venture is fanciful because of its magnitude, I would remind you that the total cost for navigation and power to be incurred over a period of six years (or perhaps a year less) does not amount to half as much as some of the larger corporations doing business in steel or in electrical apparatus for example are individually accustomed to spend in a single year.

The total direct employment to be given to labour on the project in Canada and the United States is now estimated at about 75,000 man years or say as an outside figure an average of 15,000 men employed for five years. This total is very small indeed when it is compared to the number who would be required to man and support the anti-submarine war organization which would be needed to keep the sea lanes open for the delivery of iron ore from Africa and South America, which are the alternatives. This extra Naval programme would probably absorb at least as much steel and other scarce materials as would the St. Lawrence and in addition, it would demand the use of special materials and skills which certainly can ill be spared.

We and the United States, have already had one costly experience in the protection of a sea route over which our oil and bauxite had to be transported in World War II which very nearly brought disaster, and surely we should be wise enough not to invite its repetition.

The St. Lawrence project for navigation and power neither in its physical dimensions nor in its financial implications is that colossal, stupendous undertaking that some people have set out to picture, but I would agree that these superlatives will properly apply to the useful effects on our economy and defence arrangements which will come from its construction, more particularly at this time.

In this connection I would like to quote to you the Resolution of the Canada-United States Permanent Joint Board on Defence which was read into the records of Congress early this year by the Secretary of State, Dean Acheson.

In the preamble to this Resolution the Board made reference to the deterioration of the international situation indicating a period of protracted crisis—requiring a steady increase in our military strength—pointed out that St. Lawrence Seaway and Power Project would yield large additional supplies of hydro-electric power already needed in the N.E., USA and Eastern Canada which would be vital to expansion of our military strength—provide navigation facilities relatively safe from enemy action where most required to move war materials at less cost in money and resources—permit greatly increased shipbuilding also in relatively well protected areas. The Board referred to Labrador ore as an additional reason for early construction in the interest of defence. The Board, after searching analysis, stated the project would increase military potential out of all proportion to expenditure in manpower and critical materials, much of which would be required to be used in any event as additional power had to be provided.

Having in mind these considerations and reaffirming its previous Recommendations for the construction of the St. Lawrence Project for Navigation and Power the Board recommended:

> That the two Governments take immediate action to implement the 1941 St. Lawrence Agreement as a vital measure for their common defence.

Thus there is now on the public record the advice of the two bodies which have been created by Canada and the United States jointly to consider matters of mutual interest and concern along our boundary both for Peace and for Defence—the International Joint Commission, established under the Waterways Treaty of 1909 and the Canada-United States Permanent Joint Board on Defence, set up by President Roosevelt and Prime Minister King at Ogdensburg in August 1940 have both recommended

—repeatedly—that the St. Lawrence project for navigation and power should be built—and promptly.

As the matter stands the Resolution of the PJBD is directed to the implementation of the 1941 Agreement but I have no reason to doubt that this Board will be equally in favour of the alternative now being proposed by the Government of Canada. What the PJBD has pointed out is that the construction of the St. Lawrence Project for Navigation and Power is now necessary; it has not concerned itself in any way with the arrangements by which this desirable dual objective may be fulfilled.

As regards the International Joint Commission, this body as I have said made favourable recommendation on the project in 1921 and further action must await an application from the two Governments covering the works on either side needed to be built in the International Section of the River.

I regret that the time available to me does not permit me to deal with some of the other very important matters concerning the boundary waters south of the Province of Ontario such as the preservation of the scenic beauty of Niagara and the abatement of pollution in the connecting waters of the Great Lakes, which are being dealt with by the International Joint Commission, but I would say that in these and all other matters which are before the Commission we seek, as we have been instructed in the Treaty to seek, to dispel any differences which may arise before they may magnify and thus cause trouble on the border; we seek also to proceed in equity, to recognize the equality of the interests and the rights of Canada and the United States and to promote the mutual advantage in all matters which are remitted to the Commission for investigation or which come before it for decision, as the case may be; and I claim for the Permanent Joint Board on Defence a like attitude of close cooperation and intimate association in working for the solution of the problems which give us both great concern for our Defence, particularly in these dangerous times.

THANKS OF THE MEETING were expressed by Mr. Robert H. Saunders.

"BRITISH NEED FOR RAW MATERIALS FOR INCREASED PRODUCTIVITY"

An Address by

SIR WILLIAM ROOTES
Chairman, The Dollar Export Council

Joint meeting with The Canadian Club of Toronto

Friday, December 14th, 1951

CHAIRMAN: The President, Mr. D. H. Gibson.

MR. GIBSON: Our speaker will be introduced by Mr. J. Gerald Godsoe, President of The Board of Trade of the City of Toronto.

MR. GODSOE: We in this City have always taken pride in our closeness to the Mother Country, but I doubt if we have ever before felt closer than we do at this time following the complete and triumphant conquest of our hearts by Their Royal Highnesses, the Princess Elizabeth and the Duke of Edinburgh. It is against this backdrop that we warmly welcome our overseas visitor of today.

Sir William Rootes, at an age when most men of success are just beginning to see a goal in sight, already has to his credit achievements that are many. He comes to us today as a great Empire and Commonwealth builder—at a time when we could do with more such men. He comes to us as a man who has served his country in two world wars with honour to her and distinction to himself, and who is now serving her again in an hour of need, publicly as Chairman of the Dollar Export Council, and privately as one whose business alone is responsible for one per cent. of Britain's exports. He comes to us as an industrialist who has made a noteworthy success in one of the most competitive industries in the world, and who in the process has acquired so many companies that I am sure Ford and General Motors lock up their doors and go for cover whenever they hear of his arrival on this continent. And he comes to us as a great internationalist who I am told sells his products in 119 countries in the world (and I never before knew there were so many countries in the world) and who visits and is at home in each of these countries.

Add to all this a warm and enriching personality, an unusual ability for making friends and a very real capacity for public service, and we come to realize that Britain has not yet lost her happy faculty of breeding great men.

SIR WILLIAM ROOTES: I notice that I am asked to speak on materials. Whilst this—as I will endeavour to bring out—is one of the paramount problems that we in Britain have to deal with, there are, obviously, other important issues to be taken into account in regaining our balance of trade. As you are all aware, we have a new Government—a Government that has come into power not by making rash promises or by outbidding its opposition, but rather one that has made it clear that the people of the United Kingdom have yet to make further sacrifices.

For long Britain has made a great contribution to the industrialisation of the world. It has carried a great burden in the last two World Wars; and, together with other members of the Commonwealth and British Empire, has had on both occasions to make major contributions by standing alone. Indeed when it comes to Britain I submit that her sacrifices in the common interests have been greater than she should have borne. And this is the major reason why we found ourselves faced with so many economic problems since the end of the second world war.

With the return of a conservative Government that is liberal minded, new heart has been put into the old country. The spirit of the people is such that given the materials they will take up the tools to re-establish the United Kingdom's position. The task is great. Indeed the Chancellor of the Exchequer said recently that if we could not narrow the dollar gap the United Kingdom would be a land of bankruptcy, idleness and misery. In saying this he knows that the Government will receive support regardless of political party.

As you know, we are confronted with the problems of importing in order to live and produce; and let me say immediately that there is full recognition of the great help we have received from our friends, and your neighbour that lies to the south—as well as from this great country of yours. During the first nine months of 1951 Britain's exports and re-exports to Canada were increased by 22% over the same period of 1950. However, the cost of Britain's imports from Canada during this period were increased by nearly 40%.

The Government has let it be known that they will endeavour to cut imports by £350 million, and that this is being undertaken not only in Britain's interests but also in the interests of her partners. The policy of our treasury is to tighten credit, lower Government expenditure and do its best to hold inflation; for we are today spending at the rate of £700 million a year above our earnings. What is more the Conservatives entered office to find the cupboard bare in all respects.

There are today four competing needs:

Home consumption, investment, defence and exports It is obvious, therefore, that if we are to re-establish our economy, and carry out the very great defence programme that we have before us, our exports must be increased. Whilst at the same time we must hold our home consumption to a minimum.

This is a hard outlook for our workers, for amongst other things it must not be overlooked that the people in Britain are still on rations. Owing to stockpiling and world inflation we have to deal with a big increase in the cost of our import bill. At the same time it is essential we increase our imports of materials in order to carry out not only our export but our defence programme. It may well be that we are trying to do too much; that some adjustment in the vast contribution we intend to make towards defence may have to be made. The great thing to ease this, and to achieve our programme is to see that we have sufficient steel and non-ferrous metals to enable us to use the capacity of our factories to a fuller extent.

For instance, 70% of the armaments programme falls on the engineering industry. At the same time the engineering industry as a whole is the greatest contributor to our exports. Lack of steel in particular causes continual frustration and stoppages within our works, with the result that the wages of our workers, and our overhead charges do not bear proper relation to output. Whilst working hours have increased to 47.9 per week they have not been effective hours so far as output is concerned. The shortages of materials has brought about too much waiting time, and has lowered the tempo of production. Therefore, in my opinion, I can say without hesitation that more materials are the first essential to increased exports and the maintenance of rearmament—in order that we can achieve higher output without raising costs.

Today not only the instruments of war but the necessary every day needs have become more complicated; require more materials and often more man-hours to produce. In the field of steel we in the United Kingdom have always relied upon imports from the continent, and indeed, over recent years, from the United States.

These supplies have been cut.

We have found ourselves, on the continent, competing with North American industry in the purchase of supplies; which has meant that, not having the dollars, we have had to forego this source of easing our materials position. What is more, our scrap position has been acute. For there again there have been vast dollar purchases.

The fact that we have been exporting our engineering products to such a high degree—thereby starving our home market—has, in effect, meant, that we have been deprived of what normally, would have been our own source of scrap supply.

One of the greatest things the United States can do at this stage is to sell us steel, for as you know their output is prodigious.

The Dollar Exports Council has been created to give particular attention to increasing the U.K.'s trade with North America. It is comprised of some of our best industrialists and businessmen working with the aid and assistance of the United Kingdom Government. It includes members who have been enlisted both in Canada and the U.S.A. in order that it may have the closest contact and co-operation on this side of the Atlantic. And I am glad to say that Mr. James Duncan, President of the Canadian Dollar-Sterling Trade Advisory Council, who has done so much—indeed an outstanding job—to contribute to our mutual problems in the Dollar-Sterling field; and Mr. Forbes, the President of the Canadian Asociation of British Manufacturers, are two of its members; and are present with us today. I wish to thank both these gentlemen for their public spirit in coming forward at this time of our crisis.

The Council will also include high level officials of the Treasury, the Board of Trade and Ministry of Supply, who will make themselves available to discuss matters where the Government can help. Britain's economic circumstances today make all exports important. But let me emphasise the Dollar area comes first. And I should tell you that Sir James Turner, who represents the farmers in Britain, is a member of the Board and is a strong supporter of the policy we intend to pursue, which is not one of export only, but of exporting in order that we can import more.

In Canada you have much that we require—grain, flour, fruit, meat, newsprint, lumber, non-ferrous metals and ore. Whilst we in turn, in the past, have had much to offer you, including the great majority of the pioneers of your country. For the future, apart from goods, there is research, the "know-how" and the technique of manufacture. For let it not be forgotten many things that are widely used in the western hemisphere originated in the United Kingdom. For example, penicillin, radar, television; whilst at the moment both U.S.A. and Canada—indeed the world—recognize that we have much to offer them in regard to new aircraft and the jet engine. For they now rank among our dollar earners.

Further, we in England are pioneering the first commercial jet air line. This means that within a given time there will be quicker and greater facilities for travelling, which in turn will mean a greater interchange between the peoples of the world—and this alone can lead to better understanding of each other's problems. It is significant that where freedom of worship, freedom of speech, and the desire for peace prevails, countries accept one another; that where communism is rife, travel and free interchange of ideas are impossible. This question of communism is the western world's number one problem.

Just as the United Nations are fighting in Korea so are the British fighting in Malaya. Mr. Oliver Lyttelton, a distinguished member of our cabinet, who is in the East at the moment, has already said that great courage will be required by our people to overcome the situation there, and that there is no quick solution.

Again, Britain has the burden at the moment of policing the Suez Canal. The defence of that area has been imposed upon British forces for a long time; but this, being an international waterway is as much an international responsibility as is the fight against communism in Korea. Let me emphasise that this must not be allowed to drift, with consequent threats to lawful commerce and peace.

All this means that the North American people and those of Europe must pull together, and work for the common cause of maintaining or increasing the standard of living of their people, and the preservation of peace.

In this the British Commonwealth, alongside the U.S.A. has a full part to play. The British Isles is the bulwark, the aircraft carrier, the atom bomb base; and in consequence it strengthens the whole defence of Europe and

North America. You and we have the same Monarch. You recently had Elizabeth, Princess of Canada, with the Duke, through your country. The reception you gave them made a deep impression at home.

You will shortly be receiving a visit from our Prime Minister, the man who, together with his government colleagues, is determined to remove some of the controls that have been imposed upon the U.K. and to give free enterprise and the business man the opportunity of doing a better job.

Never let it be forgotten that whilst we respect and look up to the Dollar, the greatest trading area in the world is the Sterling area. And the headquarters of this still remains London. It may often be necessary for us to export the products of Middlesborough to Malaya, in order that we may help the total overall dollar position; for not only does North America purchase from the U.K., but from the other sterling areas of the Commonwealth. We, within the Dollar Exports Council, intend to be open-minded; to be aggressive. I am here to learn, and let me say that by the contacts I have made with the great stores in the U.S.A. I have been much encouraged. I find appreciation of the quality of our products. They find our integrity high. Inspection of our goods before shipment is such that they are profoundly impressed. But what is more, without exception, I found they were going to send more buyers than ever to the U.K. and to our Great British Industries Fair to be held in the Spring. U.K. motor manufacturers for instance have suffered with others in the recent volume of sales, but we are not retracting from this market, we are here to stay; and at your great Canadian National Exhibition I am now able to announce we are having a U.K. Motor Show, including a widest possible range of products.

There is one thing regarding which our government has made a promise and will make a determined effort to fulfil. That is, the provision of more houses. For years now young married couples in the U.K. have found it almost impossible to start their life in their own abode. Rather have they had to share houses, or live with their in-laws or brothers and sisters. It is an intolerable state of affairs; and only breeds discontent and unhappiness.

The goal is to work not only for a higher standard of living for our people, but also for less barriers, freer trade within the Commonwealth, and the liberalisation, as far as possible, of world trade.

Canada is the land of opportunity. It may well be that we in Britain have committed sins of omission in the past; but with the change of heart that has been born with the change of government we intend to give evidence of our determination to win through. I ask that in our Dollar Export Drive the people of this great country will give us all the help they can in the purchase of British goods. Not on the basis of charity, but on the basis of quality, and value for money; and thereby continue to increase the trade between our two countries to the maximum, which is so vital to the stabilisation of the economy of both.

In conclusion I would like to read you this message from the president of the Board of Trade, the Right Hon. Mr. Peter Thornycroft, who is a member of Mr. Churchill's inner cabinet and a key pin when it comes to trading:

"I am delighted to learn that the Dollar Exports Council has been assured of the support of leading Canadian businessmen. I know how much our trade with Canada owes to the encouragement and assistance in recent years of farsighted Canadians and Canadian organizations. There could be no more appropriate place to say this than in Toronto. You may assure our Canadian friends that the present government attaches supreme importance to the development of British exports to Canada as a means both of expanding the mutually advantageous trade between us, and of strengthening all the links which bind us together. I know that there are difficulties. We must work together to surmount them".

THANKS OF THE MEETING were expressed by Mr. R. M. Barbour, President of The Canadian Club of Toronto.

Christmas Meeting

With Christmas Music by

THE SCHOLA CANTORUM OF ST. MICHAEL'S CATHEDRAL

Directed by Rt. Rev. J. E. Ronan

And An Address by

SIR ERNEST MACMILLAN
Conductor, Toronto Symphony Orchestra

Thursday, December 20th, 1951

CHAIRMAN: The President, Mr. D. H. Gibson.

MR. GIBSON: Monsignor Ronan and his Choir will be introduced by Mr. H. R. Jackman, Second Vice-President of The Empire Club of Canada.

MR. JACKMAN: It gives me pleasure to introduce to the Empire Club, Rev. Monsignor J. E. Ronan and the Boy Choristers. Particularly so because Monsignor Ronan and the Choristers are distinctly a Canadian product, and an Ontario product.

Monsignor Ronan was born in Simcoe County, then attended St. Michael's College, and for his musical education he subsequently attended the Conservatory of Music in Toronto; then Pius X School, New York; the Abbey Solesmes, France, and the Pontifical Institute of Sacred Music at Rome.

I think it is particularly to his credit and to the credit of our province, that Monsignor Ronan, on his travels in

Europe was greatly taken with the Cathedral Music which is so general in the capitals of the European countries, and while there he decided that we in Ontario should do something likewise, to create a choir of boys and to have Cathedral music which would be equal to any in the world, and shortly we are to hear and see the result of Monsignor Ronan's work.

I think that the existence of a Choir of such excellence as that of St. Michael's Choristers is an indication once again that Toronto is becoming the cultural centre of this Dominion. Already we have made notable contributions in various forms of culture, and perhaps we have not made any greater contribution than we have in the field of sacred music.

We are greatly indebted to those who devote their lives to the finer things of life, to the expression of our thoughts and feelings in music, and we now look forward to hearing from Monsignor Ronan and the Boy Choristers of St. Michaels.

—THE CHOIR SANG—

MR. GIBSON: Before Rev. Father Ronan leaves, may I again express the gratitude of this assembly to you, Sir, and the boys of your Choir. It is something that will remain long with us, I know.

Mr. Sydney Hermant will introduce to us that great world figure, Sir Ernest MacMillan.

MR. HERMANT: Mr. President, Ladies and Gentlemen: At the outset may I congratulate you, Mr. President, and Mr. Ernest Miles, our Secretary, upon your achievement in having the notices for this splendid meeting received by the Members well in advance. I recall our unhappy experience of last year when these notices arrived a week or ten days following the date of the meeting. Perhaps, therefore, it is in keeping with the Chrsitmas spirit that you have accorded me this special pleasure today as a generous gesture of forgiveness.

Thirty-five years ago this Christmas our distinguished guest, Sir Ernest MacMillan, conducted a performance of the Gilbert & Sullivan Operetta, "The Mikado" in a German prison camp. Sir Ernest had been studying music in Paris and was visiting Germany to attend a Wagnerian Festival when War broke out. I have learned only at luncheon today that Sir Ernest had in fact arranged to meet our distinguished President, Mr. David Gibson, at that Festival but Mr. Gibson was fortunately detained in England and unable to keep what might have been a four-year appointment. Sir Ernest was interned and remained throughout the War in a German prisoner-of-war Camp. During this period he organized and conducted a Camp Orchestra, and composed an eight-part choral work with full orchestral accompaniment based on Swinburn's Ode "England." Despite the title, the score passed the censors and the composition was sent to Oxford University and as a result Sir Ernest was awarded his Degree of Doctor of Music in absentia, the first time that this great University had ever conferred a Degree by mail. Sir Ernest was born in Mimico, Ontario, both of his parents having come to Canada from Scotland. He attended Rosedale Public School, and Jarvis Collegiate Institute, here in Toronto, and continued his education in Edinburgh, Scotland and Oxford University. Later he was a First-class Honours student in Modern History at the University of Toronto.

Sir Ernest enjoys a world wide reputation and has brought great honour to Canada and the Empire. In addition to being Principal of the Royal Conservatory of Music, at the University of Toronto, he has since 1931 been Conductor of the Toronto Symphony Orchestra which has become world famous. He is also permanent Conductor of the Toronto Mendelssohn Choir which is widely recognized as one of the finest of its kind on the Continent. Sir Ernest has been guest Conductor of famous orchestras in music centres throughout the world, and now at this Christmas meeting of The Empire Club of Canada we are to enjoy Sir Ernest MacMillan speaking on the subject "The Enjoyment of Music".

SIR ERNEST MACMILLAN: Thank you very much, Mr. Hermant, for your very kind introduction, and Mr. President, I am very flattered to be described as a "world figure". I am conscious of becoming a little more rotund as the years go on, but I don't know whether that has anything to do with it.

Speaking about the enjoyment of Music, I suppose everybody enjoys music in some shape or form. Even Samuel Johnson admitted that of all noises he found music the most agreeable. "Music", he said, "was a method of employing the mind without the labor of thinking at all, and with some applause to one's self." I am afraid the latter is very often true of musicians.

A psychologist or an expert in aesthetics could give you an analytical disquisition on the nature of musical enjoyment. I do not propose to do anything of the kind. Quite apart from my lack of qualifications, I feel that Christmastide calls for a more relaxed frame of mind, and I'm sure that Dr. Ronan and his choristers have encouraged us to accept music simply as a divine gift to humanity and as one of the indispensable ingredients of the Christmas season. However, I find that there are almost as many approaches to music as there are individuals, and it may be interesting to review a few typical cases so that each of us can see where he stands.

Music serves many purposes—it can be festive or religious; it can add an essential touch to a roistering evening; it can arouse warlike feelings; it can put baby to sleep. It is probably the oldest of the arts; it is an international —almost a universal, language.

At the present day I think we have probably too much music—of a sort—about us. Speaking personally, when I have occasion to eat a restaurant meal I go in search of a place where I can eat in comparative silence—at least where the only sounds are the clatter of dishes and the hum of conversation. And as for breakfast time, to expect a man to eat his breakfast to the sound of a crooner is like hitting him below the belt when his vitality is low. I don't want to hear music of any kind in a railway station, a public conveyance or a room where conversation is going on—anywhere, indeed, where there are already other noises. Background music rarely remains in the background of a musician's consciousness: if it is bad he resents the music; if it is good, he resents the other noises. I applaud the man who thought of installing silent records for juke-boxes so that one can at a trifling cost purchase immunity from the raucous sounds that normally issue therefrom. I don't know whether this precious privilege is universally available, for when I see a juke-box, I run. In fact, I like to take my music neat: I like to hear it when and where I can give it my full attention. In spite of Samuel Johnson, I think it bears thinking about, and paying attention to. When I do give it my attention, I expect it to be worthy of my attention, and when it is not, it makes me as uncomfortable as would a bad smell. In our necessarily noisy civilization, silence is too good a thing to be broken without justification.

In estimating anyone's enjoyment of music, great significance is found in what he selects and willingly pays to hear. A man is apt to value what he has to pay for, the same is true of a community and people are willing to pay according to their means for what they really want. When I say "pay" I am not thinking merely in terms of money but also in terms of time, effort and the sacrifice of personal comfort. Anyone who bundles himself into his outdoor clothes and forsakes the fireside and a comfortable chair on a blustery winter's night to go to a concert sacrifices a great deal more than the price of his ticket, and he naturally expects a reasonable reward for his efforts. Members of voluntary choirs make similar sacrifices to attend rehearsals; you would be amazed at the sacrifices they make sometimes, and nothing gives me greater pleasure than to be told by members of my choir how refreshing they find an evening of singing after a hard day at the office. On the whole I find that with a few exceptions the keenest and most intelligent listeners at concerts are those who have at some time or another made music for themselves: they may not have become very expert, but they have at least some insight into the problems of music making and, if they have been well taught, have made personal contact with some of the great composers. That is why I believe in teaching music even to children who show no great aptitude for it, unless they are dragooned into undergoing a dull routine, they will in later life come to appreciate their early experience.

Whatever motive brings a person to a concert: amusement, instruction, relaxation, or pure snobbery, he can hardly, once he is there, escape some influence from the music. That influence will be largely proportionate to his background of experience, plus his mental alertness to what is going on. People get from music, as from books, pictures and travel, pretty much what they bring to it. Yet it is surprising how opaque some people can be. I want to read you a letter written in 1835 from a young lady to a friend describing a performance of Beethoven's opera "Fidelio".

> "Last night, my dearest Lucy, we were all seated in the pit of Drury Lane Theatre, seeing Fidelio, and it really is quite beyond description. If you could have but seen Malibran! We have been for the last week endeavouring to persuade Papa to take us, and at last, with great difficulty, he consented so far as to say, if the weather was fine we might go. Accordingly, Mama arranged with the different people of whom our party was composed, to meet at the Conservatory at Covent Garden as the clock struck six. Mama with her three daughters and youngest son arrived there first, then the William Callcotts with Helen Stuart; Mr. Harrison next appeared. He is a young man pupil of Uncle William's. I dare say Charlotte has told you about him in her letters. Then Mr. Browne, then Mr. Kem a friend of the Callcotts, then Mr. Klingemann, and then a pause of agony ensued, for Papa never appeared, and we could not go without him. Mama at last said we had better go on without him, and she would wait for him, and follow us; after a little talking we all set off, for it was then ten minutes after 6, and the doors were to open at half past six. K. took Mary, Mr. H. Fanny, Mr. Browne me and Mr. Kem Helen. When

> we reached the doors there was not much of a crowd and to our great joy, Mama and Papa joined us in a few minutes. We had to stand 20 minutes, which, you must allow, is a long time to be kept in suspense, when you are listening every moment for the doors to be opened; not that I apprehended, as Fanny did, a painful and ignominious death, but I only felt extremely excited as to our getting good seats. At last the doors were opened and in we went. Mr. Browne and I were both obliged to make a valiant resistance against some people behind us, and I received several severe thumps on my shoulders, but being highly excited, and feeling bold as a lion, I revenged myself by not giving way an inch to them, and after paying, and running round two or three passages, we at last found ourselves in the pit. Of course, being such a large party we could not all sit together. Fanny, Mr. Browne, myself, Mr. Harrison and Helen sat in the fourth bench from the orchestra, beautiful seats as you may imagine; behind us Mary and K., behind them Mr. Kem and Charles, and one or two benches behind them, our parents and the Callcotts; and now, my dear Lucy, all powers of description are at an end, for what pen could describe the endless beauties of Malibran's appearance, singing and acting? Though all the others' acting and singing was most wretched, she more than made up for them. I never enjoyed anything half so much, and unless at some future time of my life I again see her act in Fidelio, or some equally beautiful character with equally beautiful music, I never *shall* enjoy anything so much."

Well I wonder just how many auditors of that kind we have among us today, but I hope they are few. I am afraid, however, that far too many of our listeners are still much more interested in the performer than in the composer. Ideally the performance should be so good as to enable you to forget it and to come into direct contact with the music itself, but how rarely we attain that ideal!

Listening to music with genuine attention we develop preferences and form judgments; these in turn influence not only taste but character. Any music that an intelligent man or woman finds worthy of concentrated attention is educational.

Many people find it hard to enjoy music in its highest forms, which is only natural, because the great minds of the masters do not yield their innermost secrets on first acquaintance. If you have enjoyed at any time the privilege of friendship with people of mental distinction, you know that, although they may at first be difficult of access, their friendship is something to treasure; the association brings such rewards. Developing a taste for great music or great art of any kind simply means forming friendships with the great masters and, unlike personal friendships, these can be formed without your boring the great man himself or risking an impatient snub.

The genuine music lover is one who focusses his attention on the music itself rather than on such external pictures as it may suggest. I should like to say a word or two about what is called "programme' music—music, that is to say, associated with a literary or pictorial idea. Some people seem incapable of enjoying any music without some such associations and read their private interpretations into everything they hear. There is no harm in doing this if it helps their enjoyment—in fact, we all indulge in these imaginative flights at times—but when these personal impressions become public property they are apt to pin down the imagination to an interpretation never intended by the composer. We have no reason to suppose, for instance, that Beethoven associated his C# minor Piano Sonata with moonlight, nor that he gave the name "Emperor" to his Concerto in E-flat. When he did attach a title or a description to his music it was usually something of a general nature and, in the case of the "Pastoral" Symphony he was careful to add that the work was "more the expression of feeling than a painting" —as indeed almost all music is. But even an exceptionally realistic composer like Richard Strauss often showed himself reluctant to add anything to the titles of his tone-poems and gave detailed descriptions only under pressure.

I am personally always a little suspicious when I receive a new score with an elaborate programme attached: it may prove to be music that can stand on its own feet or it may actually need such a crutch. One may at the outset be intrigued by a literary description of the work, but if the music is hardy enough to survive the test of repeated hearings, the literary or pictorial associations recede into the background and the music interests us through its intrinsic qualities. Direct imitations of other sounds have indeed their place in even the greatest music, but that place is a subordinate one. It is a very naive approach indeed to look for imitative effects where they are not intended, or to think that interest so aroused will last for long. As Sir Hubert Parry once said: "Some people are prepared to think that the scale of C major is interesting if told that it represents a rivulet, though the chances are that they would not pay much attention to a rivulet if they saw one." A good deal of the so-called "Music appreciation" taught to children lays too great stress on programmatic descriptions; they have their place and undoubtedly help to arrest a child's attention, but they should be followed up by stressing the qualities of the music itself: its melodic, harmonic and rhythmic elements, and above all its design and shape.

A love of good music may be of slow growth, but with some people it begins with the suddenness of a religious conversion. Conversations with many whose musical conversion has taken place in adult years generally show that they have been suddenly struck by the greatness of some particular work or by the style of a great composer. From that point they have gone on to enlarge their experience of great works—and of small ones too, for the latter are then seen in proper perspective. In days gone by I have known people who almost ate their hearts out, because, having been uplifted by this or that symphony or sonata, they had no opportunity of hearing it again for an indefinite period—not, perhaps, until the experience had faded from their memories. Nowadays there is no need for this: nearly everything worth while has been recorded and for a moderate sum a music-lover can assemble a collection of his favourite works in recorded form and listen to them whenever he has a leisure hour or two. The tremendous increase of recent years in recordings of serious music shows, as perhaps does nothing else, that thousands have availed themselves of this privilege. The result has been a prodigious widening of the circle of intelligent listeners. To find a parallel to the influence of the gramophone one would almost have to go back to the invention of printing, although photography has proved scarcely less revolutionary. On the other hand, those who listen exclusively to mechanically reproduced music are apt to develop what one of our very intelligent radio engineers described to me as "tin ears"; like the art lovers who study the great painters in reproductions, they should welcome at least occasional opportunities of hearing or seeing the live original.

Up to now I have been dealing chiefly with the listener and have said little of the enjoyment of making music. To the professional musician such enjoyment is usually tempered by a certain anxiety and sense of responsibility. When through excessive routine he ceases to feel such responsibility, his performance is bound to suffer. Waiting behind the stage of Massey Hall one evening with the pianist Arthur Rubinstein, who was to play a concerto with us, I noticed that he was very much on edge and exceedingly nervous. I said: "Surely you, who probably play more before the public than anyone I know, can't still feel nervous." "Oh yes," he said, "every concert to me is a début." And that is the right attitude: the excitement and even nervousness must be present or the performance will fall flat. However nerves must be controlled and a performer who, after a few experiences of the platform, still makes his audience uncomfortable—even sympathetically uncomfortable—is not likely to go far. To the musician, listening to music (especially unfamiliar music) is always a partially analytical process—in fact one runs the risk of being too infrequently stirred emotionally. Mr. Georges Enesco told me once of the concertmaster of a certain orchestra in Paris who at the rehearsal gave every sign of being thoroughly bored and indifferent: this got so on Enesco's nerves that he stopped and asked the man why he adopted such an attitude: had he taken a dislike to the visiting conductor (Enesco himself)? O non, monsieur", was the reply: "Ce n'est rien de personnel; c'est que je detéste la musique". (Oh, no, it is nothing personal; it is just that I loath music). Music can indeed be an exacting mistress and serving her involves (as does any occupation) a certain amount of dull routine. Yet there is always at least the challenge to do one's best—and no one worth his salt can ever feel satisfied that he has met that challenge to the full.

And now just a word before I finish about amateur music making—something which I fear we are in danger of losing in this over-professionalized world. One's mind goes back to Elizabethan times, when dinner in many an English home was followed by the singing of madrigals; each performer being expected to read his own part at sight from a copy which not only gave no indication of what the other voices were doing, but which was not even held together with bar lines. There is a famous passage in Thomas Morley's "Plaine and Easie Introduction of Musick" which describes such an occasion:

> "Supper being ended, and music bookes (according to the custome) being brought to the tables, the mistresse of the house presented me with a part, earnestly requesting me to sing. But when, after many excuses I protested unfainedly that I could not: every one began to wonder. Yea, some whispered to others, demanding how I was brought up."

Evidently it was considered an essential part of a gentleman's education to read music at sight. I wonder what would happen at a modern dinner table if the hostess made such demands on her guests! I wonder too in how many households the playing of chamber music is indulged in by family and guests? Chamber music is really home music and brings especial joy to the players, although it needs to be well done to bring equal joy to the listeners. I remember an illustration in an old number of "Punch" showing such a group, in which the cellist was evidently sawing away for dear life: "Piano", says the clerical looking leader of the group, "piano, Mr. Robinson: in fact that passage is marked pianissimo." "Piano be blowed!" cries the cellist, "I'm here to enjoy myself!" However, I need hardly say that playing or singing one's head off is not essential to enjoyment: in fact one great secret of enjoyment in such groups lies in the spirit of give and take. In this respect the playing or singing of chamber music is a good character builder. Let us hope that music is not lost to us as a hobby—that the piano is not altogether replaced in the home by the radio, gramophone and television set, valuable as they are.

All worthwhile study of music must have *good* music as its foundation. Poor music, like poor cloth, wears out quickly and brings us no nearer an understanding and deeply-ingrained love of the art. As we get to know fine music at first hand we will wish to know something about it; never before were more facilities offered to those with little or no technical knowledge of music—to study its structure, its history and its literature. Of late years more and more "musical guides" and similar popular works have been issued at low prices and it is a good sign that their sale, like that of recordings, has grown enormously of late years. But of course no amount of reading about music will take the place of music making or of attentive listening, by means of concerts, gramophone or radio.

Music is a pleasure and in no sense a duty except for the professional, but no one can fully enjoy that pleasure without bringing to it something of himself. You remember perhaps a phrase that Bernard Shaw used—I think it was in the scene given so brilliantly recently in Massey Hall, from MAN AND SUPERMAN,—one of the characters asked why man should have developed a brain. The reply was, Without a brain you would enjoy yourself without knowing it, and so miss all the fun. Music yields her secrets to those who approach her in the spirit of friendship and a due share of humility. A judicious mixture of music making and music taking will give the best results.

Thank you, Mr. President.

THANKS OF THE MEETING were expressed by Mr. John Griffin, Third Vice-President of The Empire Club of Canada.

"OLD LOYALTIES WITH NEW MEANING"

An Address by

HON. GEORGE A. DREW
Leader, His Majesty's Loyal Opposition

Thursday, January 10th, 1952

CHAIRMAN: The President, Mr. D. H. Gibson.

MR. GIBSON: Our speaker will be introduced by Brig. Colin Campbell, First Vice-President of The Empire Club of Canada.

BRIG. CAMPBELL: Mr. President, Guests and Gentlemen of the Empire Club:

It is a pleasure for me, and indeed an honour, to have the privilege of introducing an old friend, not necessarily one that I have agreed with the conclusions he has taken, but nevertheless one that I have admired over a great many years.

The Speaker needs no introduction to this Club, because he is one of your most distinguished past-Presidents and most distinguished members of this Club—nevertheless I want to remind you in the study of public questions that cover a great deal of time, because it is just thirty years ago since he was first elected to public office, since that time he has served almost continuously either as an elected Member or public servant, and has been the Leader of one of our great political parties.

I know what George says is always said after giving considerable thought, and as I have said earlier, although some of us may not agree with his conclusions, we know they are always sincere.

George, it is a great pleasure to introduce you to this Club, and to you, gentlemen, it is a pleasure to introduce such a distinguished member.

MR. DREW: Mr. Chairman and Members of the Empire Club, first of all I do want to express my very real appreciation of the generous introduction given by my friend of many years, Colin Campbell. As he has indicated, we have not always shared every view on every question that has arisen, but may I take the liberty of suggesting that perhaps it is an evidence of the very kind of democracy that we are trying to preserve, that a man who is known to share different views on some questions from me should pay this very generous and very kind tribute to an old friend.

I am back with a Club, of which I have been a member for many years, and I do wish to express my own appreciation that we should have with us the Mayor of Toronto on this occasion, who, I may also say, is an old friend of mine, and I know that he has come here at a time when there are a number of things engaging his attention.

And may I further say how happy I am to be sitting next to Dr. Clouse, whose memory goes back over the whole life of this Club, who was one of its first presidents and who will be celebrating his 96th birthday tomorrow. It is not given to many to celebrate that particular birthday in any event, and to those who do, it is given to very few to celebrate them in the good health and spirits that Dr. Clouse demonstrates before us at this time.

Perhaps Dr. Clouse is one of the few doctors who has taken his own advice throughout his whole life, because a lot of our friends in the medical profession are very strict with everyone else and rather disregard the same rules when it comes to care of themselves. And that, may I say, because of the deep sense of devotion to the people whom they serve.

And may I further, on this occasion when I have the privilege of being back with so many old friends, say how happy I am to see another ex-premier of the Province, George Henry, here with us today, because he too through advancing years has kept that youth of spirit and vigor of body which has kept him active and in close touch with all those developments with which he had such a part.

Now may I come to the subject that I propose to speak to you about today. I do appreciate more than I can say the honour of speaking to this first meeting of what has become a very famous Club throughout Canada, the first meeting for the year 1952. As we start our way into this critical and perhaps decisive year, it seems to be a good time to come to some clear understanding with ourselves about our hopes for the future of Canada, the great Commonwealth which expresses its loyalty to one king, and those wider international organizations with which we are associated.

When this club was organized nearly fifty years ago, most Canadians had a fairly clear idea in their own minds about Canada's place in world affairs and our relationship to Great Britain and the other parts of what was then known with pride and respect as the British Empire. It is true that we constantly repeated the statement that the relationship between those nations and territories, conveniently marked in red on most maps, could not be clearly defined. Nevertheless over long years great events had defined that relationship much more clearly than we were inclined to admit. No matter how thin and tenuous the ties might be in written words, in action they proved to be strong as steel.

It seemed a safe and comfortable world. As we regarded the future, it is accurate I think to say that in the minds of most of us there was the unexpressed thought that "as it was in the beginning, is now, and ever shall be." There was a comforting sense of certainty about the future. Our loyalty was expressed simply and with conviction in the words, "For God; for King and Country."

Men and women of adventurous spirit and particularly the youth, secretly, and perhaps sometimes not so secretly, regretted that they had not lived in the much more exciting days of ancient Greece, Imperial Rome, the Spanish Main, or perhaps in the days of Nelson and Wellington. Then came the days of the First World War, with its dreadful carnage, and its dislocation of the world that we knew. Later followed revolutions, famines and worldwide economic chaos. Out of the confusion and uncertainty, dictators rose to power who led the world into the holocaust of the Second World War. After the long years of the Pax Brittanica and the comparative stability, it brought to the whole world, the tension and uncertainty, which began in 1914 and followed through the years of peace, left most people with grave doubts about the future. Great powers ceased to be great. Lesser powers assumed new importance. A second world war brought new terror and greater destruction. Bit by bit a strange new pattern was formed. More and more the nations of the world ranged themselves on one side or the other; and now under the leadership of Moscow all the Communist dictatorships but one openly defied the principle of national self-determination upon which the whole Charter of the United Nations was based. Those nations possessed the advantage of unified direction and a clear purpose. That purpose was and is world conquest by a godless dictatorship.

Ranged against this force are nations with different types of government, mostly democratic, and all asserting the right of self-government and personal freedom.

We are told over and over again, that this is a war of ideas; that the issue has been joined between two ways of life. To the extent that this is true, it therefore becomes an essential part of the worldwide struggle in which we are engaged to decide what our own ideas really are and to leave no doubt about the kind of life we are trying to preserve.

Too often it seemed that the arguments put forward against Communism emphasized the fact that on our side of the Iron Curtain we are able to give our people more and better automobiles, more comfortable houses, more radios and television sets, better refrigerators, washing machines and household conveniences—and yes, perhaps even street cars. Some of the propaganda posters and also the radio broadcasts, by which we try to convince Communists of the advantage of our system, seemed to be based on the proposition that the issue is between nylon and cotton stockings, or no stockings at all, the softness and comfort of our life compared with the severity of theirs, and freedom restraint compared with the stern discipline which they are forced to accept.

We are told and with deep conviction that the best answer to Communism is food, work and good wages. In a substantial measure that is true. Most certainly it is difficult, and always will be difficult, to convince a hungry and unemployed man or woman that there is much advantage in the democratic system. But once we establish decent standards of living, the issue goes far beyond those material advantages. Surely the struggle is not merely a comparison of two levels of materialism. After all the whole doctrine of Communism is materialism. In fact we have already lost a great part of what we are fighting for if that should become a basic issue. The real test is the standard of life rather than the standard of living, as we have come to understand those words today.

This is a struggle, not so much for ideas, as for ideals. There is a challenge to quicken the pulse and warm the heart of every adventurous soul. No personal adventure can be more exciting than the supreme adventure of giving to life itself the utmost meaning. In a changing world, surrounded by so much uncertainty, we are called upon to play our part in the greatest task of all—the preservation of everlasting values and the acceptance of those fundamental loyalties upon which our civilization has been built.

Every human enterprise that is to succeed must be built upon faith. In the material as well as the spiritual sphere, man longs, and has always longed, to be able to say, "I believe." When those men of old gathered at Nicea to frame the Creed, that would express their belief in the Christian Faith, they were not attempting to define a new religion: they were simply seeking to put into words the belief which had emerged in that great doctrine.

Whether it be in our personal affairs, our national life, or in those wider associations which are taking clearer form day by day, loyalty and faith are essential if we are to succeed in the task we have undertaken.

In this age of doubt and unbelief, confronted by an evil power which seeks to deny to the youth under their control the comfort and guidance of religious belief, we find that religion itself has become the most powerful influence against the godless doctrine to which we are opposed. Remembering that our own particular form of society has sought to interpret in the realm of government the religious concept of the supreme importance of each human being before God, it does seem that the religious observance of our own choice becomes the most decisive force in the struggle in which we are now engaged.

For that reason I think we should carefully reconsider the place of religion in the education of our youth. The real strength of our nation in the years ahead will most certainly be determined by the ethical standards we implant in the minds of our youth today. For that reason I do believe that religious education is an essential part of the defence of our own form of freedom. Always remembering that freedom of worship is one of the fundamental freedoms we must preserve, I think that the ethical standards of religion should be firmly implanted in the mind and heart of every young Canadian, and that it is the duty of Canadians to see that this does happen.

History clearly teaches us that all ages of belief have been great and that all ages of unbelief have been mean. Man lives by believing something. Men and nations become great only by believing in things that guide the spirit to great achievements.

When young men and women are called upon to offer life itself in the defence of freedom, there comes to their lips the prayer that has been repeated down through the ages from the days of ancient Troy, "Let but the cause seem beautiful, dear God, if we must die."

Faith in the future of our own country is also an essential part of the struggle. While material advantage must at no time become our highest aim, nevertheless it does spur the efforts of our people in preparing to defend our homeland to believe that here in this homeland of ours there are perhaps greater opportunities for personal advancement and security than exist in any country in the world today, than have ever existed in the history of mankind. For that reason it is also part of the defence of our freedom to place before our people, and particularly before our youth, the bright vision of the future which opens out before the eyes of all of us who live in this most fortunate land.

More and more, those who have the good fortune to live in Canada are called upon to answer that age old question, "Am I my brother's keeper?" More and more we are called upon to accept the mutual responsibility of all mankind, and in keeping with the acceptance of that responsibility we have taken our place in the United Nations Organization and the North Atlantic Treaty Organization. As we recognize our international responsibilities, however, we can well remember the truth conveyed by those well known words, "He is the true Cosmopolite, who serves his native country best." The greater our love of Canada, the better we serve it. The greater our unity and strength, the more we will be able to help other nations and share our prosperity with them. Our belief in the great future of Canada and in the wide horizons of opportunity opening out before our people, become a very real part of the defence of our own freedom at this time.

As we consider our place in this changing world, there is another question we must be prepared to answer. What is the future of that great fellowship which we may properly describe as the King's Commonwealth? We would not be facing reality if we failed to admit that there are many outside of Canada, and some within our own country, who do not share in the same faith in the future of this great association of free men and women which was so commonly expressed only a few years ago, and most certainly in the strongest terms at the time this Club was originally organized.

There have been revolutionary changes within a single generation. Britain has suffered terribly in two world wars and in the economic storms which followed them. We hear gloomy predictions about the future of the oldest member of the Commonwealth. We would not be completely truthful if we denied that this is greatly influencing some people's thoughts about the future of the Commonwealth. There is, moreover, a tendency to think so much of the wider international organizations, that the importance of the Commonwealth itself may seem to be overshadowed at times.

What do we really believe about the future of this ancient fellowship? That is something we must answer in our own secret thoughts if we are to follow a clear course in the future years ahead. In answering that question, I would like to recall a very remarkable statement made by a distinguished citizen of the United States in February of 1946. Broadcasting from London, in the year following the end of the Second World War, Mr. Edward Murrow, whose broadcasts most of you have heard, had this to say, and it seems to me that it emphasizes one vitally important aspect of this relationship which is sometimes overlooked. These were his words:

> "I doubt that the most important thing was Dunkirk or the Battle of Britain, El Alamein or Stalingrad. Not even the landings in Normandy or the great blows struck by British and American bombers. Historians may decide that any one of those events was decisive, but I am persuaded that the most important thing that happened in Britain was that this nation chose to win or lose this war under the established rules of parliamentary procedure. It feared Naziism, but did not choose to imitate it. The government was given dictatorial power, but it was used with restraint, and the House of Commons was ever vigilant. Do you remember that while London was being bombed in the daylight, the House devoted two days to discussing conditions under which enemy aliens were detained on the Isle of Man? Though Britain fell, there were to be no concentration camps here."

My friends, I think that that is a great statement of one of the real fundamental issues before us today. After all, it is the way that we govern ourselves as a people through our elected Representatives, that determines what our democracy really is, that at a time when Britain was threatened with enemy invasion, two whole days were devoted to the consideration of what they would do with enemy aliens so that there might be no limitation of the traditional British freedom.

In those illuminating words, Mr. Murrow expressed a great truth which has much to do with the importance and strength of this fellowship we call the Commonwealth, not only to ourselves but to all mankind. Other relationships may be close. Our relationship to the United States in many ways could not be closer, but the nations of the Commonwealth are associated in another way. The nations of the Commonwealth may not be partners that accept the joint responsibility of an ordinary business partnership, but those who declare their common loyalty to *one King* as the living and continuing symbol of their own particular form of freedom are partners of another kind. They are members of a great partnership of principles which finds expression in the same parliamentary form of government throughout the whole territory of that Commonwealth, that parliamentary form of government which history has shown to be the most responsible servant of democracy.

By all means let us extend our partnership and friendship with other nations in every great enterprise for the preservation of peace, the defence of freedom, and the advancement of mankind. But let us at the same time remember that the most effective international partnership ever created by man is the British Commonwealth of Nations. Our greatest service to ourselves, our country and mankind, may well be the convincing demonstration we give within this Commonwealth of the ability of nations to work together for their mutual advantage without sacrificing their sovereignty in any way.

Of one thing let us all be perfectly sure. If, with our partnership of principles, the same parliamentary system, and a common heritage of freedom, this Commonwealth of ours should fail to stand together, then there would be no hope for any other organization of nations in the future. If we believe, as I am sure all of us here today do believe, in the continuing strength and greatness of the Commonwealth, then let us say so in words that leave no doubt about the depth of our convictions.

That also is something to which the education of our youth should be directed. They will not grow up to believe in the Commonwealth by anything in the air they breathe. They won't believe in that Commonwealth, in its traditions and greatness unless they are taught and understand what it has meant to Canada and what it means to the world today. In every partnership, respect for our partners is an essential part of the strength of that association. For that reason let us first of all tell our children of the greatness of Canada and its limitless opportunities for the future. Let us explain to them that our unity, freedom and security came to us as a member of that larger partnership. And let us be sure to tell them of the real greatness of the senior member of the partnership which has faced difficulties before and has grown in strength and vigour every time in response to each succeeding challenge. Let us teach the historic truth that in things of the spirit no nation has given more to the world than has Britain, and that it is the things of the spirit we are striving to preserve.

Let us teach them also that there are great material advantages in extended trading arrangements within the Commonwealth which offers sure and continuing markets for most of our basic production. I shall not enter on any statistical demonstration of that truth today: the facts are there. Let us keep them before our people, and remember what the material association means as well as the spiritual association that has taken so long to build.

In all that I have said, I have not at any time forgotten our great neighbour which is bound to us so closely in ties of blood, friendship and affection. Every plan we make for the future should recognize our close association with the United States. But it is to their advantage and to ours that they should form their closer association, which I believe will come, not so much with Canada and the other individual nations of the Commonwealth as minor satellites, but rather with the Commonwealth as a whole. If there is ever to be anything in the nature of world federation, which is increasingly in the minds of the people throughout the world today, that I believe is the only practical course to follow.

I think many will also believe that in these last few days we have come closer to the fulfilment of our hopes for better understanding. Democracy does not place its faith in the indispensable individual. We have never at any time sought to place an individual on a pinnacle where we accepted the proposition that he alone could lead the democratic country in the years ahead, but nevertheless it has been part of the genius of this democracy of ours, that over and over again it has shown a remarkable habit of producing the man for the moment who gives voice to the thoughts and hopes of countless millions, not only within the Commonwealth but throughout the world. At this hour Winston Churchill is that man. It is more than possible, that history will decide that his greatest service to mankind, even greater than his immense service during the years of the war, was that he restored good will, understanding, mutual confidence and clear purpose at a time when this was so vitally necessary if the Nations of the Commonwealth and the United States are to play their full part in preserving peace and freedom. During a period of criticism and bickering, we have had reason to remember the Biblical injunction: "For if the trumpet give an uncertain sound, who then shall prepare himself to the battle?" There is never any uncertainty about the words of Winston Churchill. With his understanding of history, his love of his own country and his firm faith in the friendship and strength of the Commonwealth, and his demonstrated affection for the United States, his can be the trumpet call to better understanding at a time when it is so greatly needed throughout the world. Again may I say, I do not seek to place one man on the pinnacle which separates him from the rest, but again I think that the man has emerged. And I am reminded of lines written by Arthur Guiterman many years ago which, at a time when faith and confidence are such powerful weapons of freedom, seem to apply so directly to Winston Churchill—

When others could falter, faint-hearted and hollow
He caught up our banner, he rallied our might;
And glad were the hearts of the young men to follow
The leader who laughed in the heat of the fight.

We called him to aid us when evil assailed us,
And still as our champion, still in the van
He battles, the Captain who never yet failed us,
Clear-sighted, true-hearted, Thank God for a Man!"

My friends, this is an hour of great challenge, an hour of great opportunity! It is a great time to be alive! It is a great time to remember the old call to loyalty "For God; for King and Country."

THANKS OF THE MEETING were expressed by Mr. H. R. Jackman, 2nd Vice-President of The Empire Club of Canada.

"POWER AND RESPONSIBILITY"

An Address by

ARTHUR HAYS SULZBERGER
President, The New York Times

Joint meeting with The Royal Canadian Institute

Saturday, January 12th, 1952

CHAIRMAN: The President of the Royal Canadian Institute, Mr. John S. Dickson.

CHAIRMAN'S INTRODUCTION: In introducing our speaker to-night, I do so not only as President of the Royal Canadian Institute, but also on behalf of The Empire Club of Canada. These two organizations are holding this meeting jointly—we shall hear from the President of The Empire Club later on.

Our speaker was born in New York City. This huge metropolis has always been the key centre of his life and work. In the First World War he was commissioned Second Lieutenant in the Field Artillery. While he started work in the cotton goods industry, he has been in the newspaper business since 1919.

We in Canada have special economic interest in the newspaper business because of our commanding position as the world's largest producer and exporter of newsprint. Last year, for instance, the United States relied on Canadian mills for roughly 80% of its total newsprint requirements.

As you all know, our speaker is the President and Publisher of The New York Times. That position alone makes him singularly well qualified to deal with his subject "Power and Responsibility." But his interests and achievements extend far beyond the newspaper field, broad as it is. Just to illustrate my point I shall mention a few of the salient facts in his distinguished career.

He is a Trustee of Columbia University, of the Rockefeller Foundation, of the Metropolitan Museum of Art; Governor of the Thomas Jefferson Memorial Foundation; Governor-at-large of the American Red Cross. Among his business connections, he is Director of Spruce Falls Power and Paper Company, Limited, whose Head Office is in Toronto, with mills at Kapuskasing, Ontario. His academic attainments include a B.S. degree from Columbia University, LL.D. from Dartmouth and two other colleges, D.Litt. from Brown University and two other institutions of learning, an L.C.D. degree from Bishop's University here in Canada, and Doctor of Public Service from the University of Denver.

Briefly, his exceptional qualities of mind and heart are widely recognized in the foremost journalistic, business, academic, cultural and philanthropic circles.

Ladies and Gentlemen, it gives me much pride and pleasure to present—an outstanding citizen of the United States, President and Publisher of The New York Times—Arthur Hays Sulzberger.

MR. SULZBERGER: Mr. Chairman, Ladies and Gentlemen: My first duty is to thank you for the courtesy of your invitation and for your willingness to bring together your two associations to meet my convenience. I will try, in my response, to remember Lord Dunedin's advice to your Prime Minister many years ago. They were seated together at the head table during a dreary succession of after-dinner speeches. Finally, as Mr. St. Laurent told us last year when he was in New York—His Lordship turned to him and said: "Young man, when you get to be my age"—he was then over eighty—"you will realize that it's unwise for anyone to attempt to make a speech unless he really has something to say. And after he has said it, he should sit down."

I sincerely hope my one speech will meet the test. I am quite certain that two from me would have failed and I thank you for protecting me and yourselves.

This is the time of the year when most of us engage in self-examination. For eleven months and maybe about twenty days each year, we concentrate upon the shortcomings of others, but for a few days at the turn of the New Year we look at our own. It is a good habit.

The Scotch in Ontario may brood a little too darkly on sins material and immaterial, especially after the merriment of Hogmanay, but the habit of introspection is beneficial. It gives us a little perspective and a sense of a new beginning. The only trouble with it is that it doesn't last very long and it doesn't extend very far into the wider relations of states and nations.

It would be rather disarming, for example—and might even be good politics—if the President of the United States had managed to say somewhere in his State of the Union message that all our tribulations were not made in Russia, that maybe at least a few of them had been caused by our own miscalculations, and even one or two of them by our own foolishness.

You may have heard of the two workmen who, when the noon whistle blew, sat down to eat their lunch. One undid his package, opened up a sandwich, saw it was peanut butter and promptly tossed it aside. The next sandwich proved to be meat and he ate that with relish. The third was peanut butter again and he threw it over his shoulder. As he was biting into his next meat sandwich, his friend said, "Sam, how long have you been married?" "Fifteen years," was the reply. "Well," said the friend, "I certainly would think that in fifteen years your wife would have discovered that you don't like peanut butter." "You leave my wife out of this," replied Sam. "I made those sandwiches myself!"

Mr. Pearson, whom I have heard described as the most relaxed diplomat in the world, might make such an honest confession, but as a general rule, nations concentrate on spotting the defects in other nations. The United States can tell you all about what's wrong with the British, to say nothing of the Russians. This audience, which knows us well, can certainly define what's wrong with the United States. Every American over fourteen knows that the British burned the White House in 1812, but few know that the Americans burned the public buildings of a city called York, now Toronto, two years earlier. All nations are more tolerant of their own mistakes and weaknesses than of the mistakes and weaknesses of others. And while this cross-fire of criticism is useful and even necessary, what it accomplishes is limited. And I must say, after the endless noisy repetitive propaganda of the last five years, slightly boring.

As you realize (or as has been said), I am not a stranger here. Not only am I a director of one of your large paper mills, and as such come here frequently, but twenty-five years ago I canoed north to where our power site is now located and then continued on to Moose Factory. We, with our partners, have built a town housing some five thousand persons and I am happy to note that it was selected by those who arranged the recent tour of Princess Elizabeth and her husband, as one of the overnight stopping places for the royal party. They slept in a model hotel, the site of which was but emerging from the forest wilderness twenty-five years ago.

I suggest, therefore, that tonight we look at ourselves, by which I mean Canada and the United States, and ask a few simple questions: How we are doing, each country in its own way? What more can we do to promote the objectives and ideals we share? How can we improve the conduct of our international affairs in the year 1952?

A few months ago the United States Secretary of State, Mr. Acheson, used a striking simile which sums up my own feelings about how we are doing.

"The times in which we live," he said, "must be painted in the somber colors of Rembrandt. The background is dark, the shadows deep. Outlines are obscure. The central point, however, glows with light, and though it often brings out the glint of steel, it touches colors of unimaginable beauty.

"For us, that central point is the growing unity of free men the world over. This is our shaft of light, our hope and our promise."

Mr. Chairman, a newspaper publisher, perhaps even more than others, must constantly be looking for the shaft of light. News is so often a report of conflict, an account of problems, a thing of the day and even of the minute, that sometimes I think we make the background darker and the shadows deeper than they actually are. Certainly the lines are obscure—as obscure to me as they must be to many of you—but the shaft of light is there.

Eleven years ago even the English-speaking world were divided in the midst of a mortal conflict. We were just beginning our Lend-Lease debate in Congress in January, 1941, and while I have always considered this act to have been our declaration of war, the fact remains that your men were already in the Spitfires over Britain and ours were not. Today the situation is so different that we have scarcely comprehended what has happened. There has been a revolution, not only in our policy, but what is more important, in our thinking about the responsibilities of power.

Eleven years ago, the primary objective of Winston Churchill's diplomatic policy was to break our isolation. Now we are told he is trying to break, or at least lessen, our domination over the rest of the coalition. In 1941 he was trying to goad us into action; now he may be trying to restrain us.

This is not a new idea with Mr. Churchill. In 1943 I tried to tell him that the United States would not weaken in its purpose if Franklin Roosevelt were not renominated and re-elected the following year. I suggested that Wendell Willkie would pursue a similar course and possibly do a better job. Mr. Churchill was having nothing of Mr. Willkie. He recalled something the latter had said about the Empire. So he struck his fist on the Cabinet table (we were alone together at Downing Street) and said, "The United States of America established its independence from Great Britain in 1776, but," he said striking the

Christmas Meeting: Msgr. J. E. Ronan directs St. Michael's Cathedral Boys' Choir (above) and (below) Sir Ernest Macmillan addresses the meeting.

table again, "damn it, that independence works both ways."

It is easy to understand some concern over our growing power. But those who really understand it have no difficulty in appreciating the great accomplishments of the free world in the last five years. It was comparatively easy for the United States and Canada to get along together a generation ago. Our points of contact and therefore of conflict were limited. But the pressures are far greater today. I am not referring to what I believe was a mistaken policy of this Government in permitting some months ago a drastic increase in the price of newsprint. I fear the consequences of that are still to be reflected here.

I am speaking rather of the range of our common interests, which are now world wide. What Ottawa and Washington used to think about Turkey or Iran was not very important because we really didn't think much about either, but now what we think about them is extremely important—to ourselves and to many other peoples.

The statesmen still say that we should not interfere in the internal affairs of other nations and yet it is not possible any longer not to interfere, even when we do not mean to do so. If in the United States we try to maintain an economy which retains large quantities of both guns and butter at the same time; if we stockpile steel and wheat; if we place orders north of the St. Lawrence (or don't place them); if we negotiate with the Germans or propose a disarmament plan, or get into a domestic political row over Chiang Kai-shek—all of which we have a perfect right to do—all these things nevertheless reverberate around the world and limit the freedom of action of other peoples and other governments.

And constantly we must guard against letting any Tweedledum or Tweedledee talk us into accepting seriously the thought that any small nation is only our dream, just as they tried to convince Alice that she was but a figment of the Red King's mind. "If that there King was to wake," said Tweedledum, "you'd go out—bang!—just like a candle!"

But the currents move in upon America as well as out from America, perhaps more than is realized. We are not unaffected, for example, by the domestic political storms in France and Germany, or the tax-collecting system in Italy, or the political ambitions of a Bevan or a Schumacher. For if the Germans do not help defend the West, American and Canadian troops must cross the seas to do the job, and I venture to believe that the troops—if not the statesmen—regard this as an interference at least in their own domestic affairs.

To create a coalition in this atmosphere—where every major act of policy in every major country affects the lives and policies of all other countries—is therefore a prodigious task, and the surprising thing is not that we have so many difficulties but that we have so few. Some of you may remember the soldier in "South Pacific" who asks himself in a moment of pathetic homesickness: What am I doing here? G. I.'s are asking this question—and I'm sure your boys are too—in Korea and Germany, and in many other corners of the world, and yet despite all the doubts, and the longings for quiet and peace, great progress is being made.

Any coalition has its troubles, as every married man knows. Free nations with different histories, economies and a vast amount of stubborn pride will never achieve complete agreement, even when they desire the same objectives. Nevertheless, look at some of the things that are being done. The United States, finally aware of the danger of tyranny anywhere in the world, now has treaty commitments to help defend not only the whole Atlantic Community, but strategic areas of Asia Minor and the Pacific, from Turkey all the way to Australia, New Zealand, the Philippines and Japan. Canada is involved in many of these political commitments. Between 1939 and 1945 you produced weapons and war equipment valued at thirteen billion dollars, 70 per cent of which you shipped to your allies. The same process is going on today in Canada's much larger and growing industry.

It is a shock now to realize that it was not until after France was overrun in 1940 that the United States and

Canada began planning a joint defense. But today, the defense of North America is being planned as a single unit. Your weapons and ours are being standardized. Civil defense along the great boundary moves ahead as if no boundary existed. A screen of radar stations, backed by a network of communications and squadrons of Canadian and American fighters are being erected by the armed services of the two countries. You are equipping whole divisions in Belgium and Holland with your weapons, and we are replacing those weapons with ours so that the pace of the standardization program can be increased. Officers from all over the Atlantic Community are training in the United States, and as in the last war, you are training airmen from Belgium, France, Italy, the Netherlands, Norway and the United Kingdom.

Speakers are not supposed to waste time on platitudes, but the capacity of this generation for ignoring the obvious and concentrating on the negative and the obscure is immense. Besides, as your able Ambassador in Washington, Hume Wrong, said the other day, a platitude is but a "frozen truth" which must be repeated from time to time.

Now, Mr. Chairman, it was not self-praise or national indulgence that I wanted to encourage, but self-examination, and self-criticism. It is my conviction that the Soviet tyranny is the greatest menace of our time and for the past few years it has been absolutely imperative that the nature of this tyranny be made clear throughout the world. This will continue to be necessary so long as the tyranny remains a menace to the ideas and ideals by which we live, but this is a limited objective. It is limited in two ways. First, our constant criticism of the Russians obviously does not persuade them, and second, if we concentrate on criticising them, there is a real danger that we will not pay enough attention to criticising ourselves.

After all, if we agree on our own shortcomings, we can do something about those shortcomings. Constant bellowing at the Russians, however, does very little good. As the Scotch say, you might as well "save your breath to cool your porridge." What then of ourselves?

Before in 1937 or '38, I conducted a one-man poll throughout eight of our principal cities, meeting with groups of twenty-five or fifty of the so-called leaders of each community, and sometimes I met with more than one group in each city. The question in every place was: "If war comes involving Britain and France, can the United States stay out?" Despite the vocal isolationism of that time, I found only one man out of the comparatively large total who thought that we could.

A few years later—in 1946—I toured the German states of our Occupation Zone and asked each German in office—and I met most of them—"What could Hans Schmitt, the John Doe of our society, what could he have done to have prevented Hitler from doing the terrible things that he did?" I found only one who agreed with me that if in 1933 when Hitler first took action against the German press there had been an uprising of German democrats to protect the freedom of the press, then possibly he might have been kept from power. Once a free press had perished, however, the last bond which the democrats possessed disappeared and the other freedoms quickly vanished.

I find this a very useful method of judging and creating opinion, and I've carried on the habit ever since. Now the question that is in my mind—and I have asked it frequently—is how we will react to the constant provocations of the Russians when the military goals now before the North Atlantic nations have been achieved? What will be our reaction a few years from now if taxes are still high, Texas is half-full of aircraft, the Communists are still fighting proxy wars here and there around the world, and Mr. Vishinsky still laughs all night at our disarmament proposals?

Every year that goes by for the next few years will raise this question more insistently. It is more relevant in 1953 and '54 and '55 than in 1952.

The question in the first and second world wars was: Will the United States mobilize its power in time? Now that we have demonstrated our willingness and ability to mobilize our power, the question is whether our moral strength will keep pace with the growth of our physical strength, whether we will have the patience and the sense of justice to use that strength prudently to maintain peace in the world?

It seems to me that your own Government has only recently provided us with an example of what I have in mind. I refer to its action in freeing the Canadian dollar from its wartime and postwar restrictions.

Currency manipulation and currency controls are, in the last analysis, weapons of economic warfare. Fortunately, those who invoke them are usually convinced that in their particular cases they are purely defensive weapons. But they are still instruments of war. One of the most costly lessons learned in the years between World War I and World War II was that no nation of any commercial important could resort to the use of these instruments without in some way interfering with the economic life of some other nation, or nations.

It was with this fundamental lesson in mind that we devised and set up the Bretton Woods program. As I understand it, stated in simple terms, the philosophy underlying the Monetary Fund is, that in so far as possible, currency manipulations and controls should be eliminated, along with their causes. Meanwhile, when a country is considering a serious modification of its exchange policy, such a step should be taken only after full consultation with representatives of the other nations.

In voluntarily relinquishing the last of the controls introduced during World War II, Canada, as we in the United States saw it, was not only giving proof of its fiscal integrity but of its sense of responsibility. As we saw it, your country, had it wished to do so, could have retained its exchange controls indefinitely and perhaps exploited them to its advantage. Certainly no other nation was in a moral position to question such a course, much less make an issue of it. Yet you elected voluntarily to relinquish these restrictions—these weapons of economic warfare. And you relinquished them, not as a matter of expediency or calculated advantage, but in the innate and instinctive conviction that this was the way an honorable and responsible nation was expected to act in such circumstances.

This question of moral responsibility is a great challenge for any nation and especially for a young nation that has learned the habit of direct action on the frontier of this continent. It is not easy for a sprinter to learn how to run a marathon, or for a poker-player to switch to chess. We of America like to meet great emergencies with great spurts of energy and then relax. If I may continue to mix my metaphors, the American is psychologically a poker-player, who prefers to match bids and bluffs with an opponent, with the winner sweeping in the whole pot and ending the game. But the strategy of world affairs today is much closer to the strategy of chess, a game at which the Russian is pretty good. The stakes are high, false moves are dangerous, but the pace is slow. Many moves must be planned at the same time and worked out with patience and foresight, and this requires a habit of mind which our people do not prefer.

Look at the language of our diplomacy in the last few years. We speak of "total war," of "unconditional surrender," of "total victory," of "preventive war." But do these things really mean what they are popularly supposed to mean, We have never really known "total war" on this continent. "Unconditional surrender" proved to be a costly delusion. For all our military triumphs between 1942 and 1945, nothing was less "total"—viewed from 1952—than the victory over the Axis.

I am reminded of the fictitious finance minister of the new state of Israel who, finding it impossible to balance his budget, suggested to his President that they make war on the U.S. "Are you crazy?" asked Dr. Weizmann. "No," said the minister, "of course we'll be beaten, but look what America did for Germany and Japan once she had beaten them." "I still think you're wrong," said the President, "supposing we were to win!"

And as for "preventive war," no two words in the English language contain such a vast and dangerous contradition.

Nevertheless, you must not assume—as I must say frankly a great many of my British friends assume—that America will not stay the course, that we will not match our physical strength with moral strength. This is a big, and was once a lonely continent. It was not conquered in a fit of temper. The men who did the job were not only men of action, but God-fearing patient men as well. We may have to plow around the Russian stump for a great many years, but we have plowed around quite a few stumps in the last three hundred years and I believe we shall learn to do it again, if our people are given a fair and honest lead.

This is not merely a hope. Korea is evidence, not merely of American courage, but of American restraint The great issue of fighting a limited war was certainly posed in the most dramatic way. No American could have argued for an intensification of that war with more eloquence or experience, or popular backing than General MacArthur, but his view did not then prevail. Certainly there has never been a time in which there have been more provocations to make war and more opportunities to go to war than during the last three or four years. Ransom is not happily paid. Yet always, as with a Berlin airlift or a Greek-Turkish program, or a Marshall Plan, a way has been found to deal with the problem short of major war.

As your own Minister for External Affairs said recently, the spirit of the town meeting remains strong in America—even though at times it may be obscured by Kleig lights, whirring cameras, microphones and sensational headlines. When the issue involves life and death the wide masses of the American people are not impetuous. Despite all the glitter of modern life, they still make moral judgments on political events, and the Government is still responsive to their will. Moreover, the American Constitution, which has disturbed so many British political scientists in the past because it placed restraints upon the executive, is now a brake upon impulsive action. Also, though it may seem to you that Washington often dominates the Atlantic coalition, I am happy to say that our allies, including the Canadians, do not hesitate to speak up whenever they think we are going too far or moving too fast.

Nevertheless, the provocations in the future are likely to be very great, and belief in the inevitability of general war is already very strong. Mr. Chairman, we must not allow this concept of inevitable war to make progress without putting it to the test of fact. If it were true that we were merely standing here waiting like cattle for the slaughter, then one would have to grapple with the concept of making war, no matter how revolting this might be.

But is it true? To every man who asserts—with what knowledge I do not know—that the Russians will strike us tomorrow, or next month or next year, I say: "Why not yesterday?" "Why not last month or last year?" The chances were better then.

This belief in an "inevitable war" and therefore in "preventive war" stems directly, of course, from the outrageous post-war policies of the Soviet Union, but it is also encouraged by the false assumption, widely believed on this continent—that when two coalitions raise large armies they inevitably fight a major war. There is, of course, some truth in this, but not much. The two German wars occurred not because both sides had powerful forces but because one side had an overwhelming force and thought it could win without being badly hurt.

What we are trying to do in the world is not such a very complicated thing, though it is not always understood. We are trying to create a force that will persuade criminals that crime doesn't pay. We are creating a police force, not precisely like an ordinary police force, but similar in many of its functions. We are taxing ourselves to maintain it. We are building police stations, which we call bases, all over the world. We are trying to maintain some kind of order and protect property, so that we can get along with the important things of life, which have to do with the improvement not only of men's bodies but of their minds and souls.

Nobody would think of abandoning the police force in this city just because things remained quiet for a while. Nobody expects the police to put an end to crime. Nobody things it unusual if policemen get killed in the performance of their duty. Nobody proposes that the police force be abandoned if some of the police do get killed. And very few people think the police should go and blow up all the potential criminals, known and unknown, in order to keep them from carrying out their evil plans.

If we could just accept this approach to the new world police forces that are being established, the general understanding and support of our foreign policy would increase. There is never going to be total peace in the world. Trouble is going to keep on breaking out here and there. Soldiers of the world police are going to be killed. Taxes are going to have to be levied for the maintenance of this force, not for a year or five years, but from now on, or at least until such time as the Iron Curtain disappears and the Russian people and their allies are permitted to learn that free peoples are never the enemies of other free peoples.

I believe this concept respecting the police force will gradually be accepted. I think it is gradually being accepted now, and if we work for its acceptance instead of constantly watching and fearing the criminals, I believe we shall succeed—not in wiping out crime but in maintaining some kind of tolerable international society.

This, however, is a long journey, Mr. Chairman, requiring great confidence and faith and balance. If we think of it as a short journey or a hopeless journey we shall certainly be disappointed. If we demand certain victory and surcease from worry at some given point, these things will almost certainly be denied to us as well. For the journey ahead is not unlike the journey which faced Father Jacques Marquette when he set out along the St. Lawrence nearly three centuries ago and descended the Mississippi from Prairie du Chien to the mouth of the Arkansas.

Nobody could assure him where he was going or what he would find at the end of his journey. But he had faith enough and courage enough to leave the comfort of his own home in Canada in order, as he put it, "to explore this river as far as we can" and "to visit the Nations dwelling there in order to open the passage * * *." We are embarked on another kind of journey, but if we bring to it some of the confidence and perseverance of Jacques Marquette, I believe we may yet open up new frontiers of the mind and spirit. This, at least, is my "shaft of light."

THANKS OF THE MEETING were expressed by Mr. D. H. Gibson, President of The Empire Club of Canada.

"CANADA'S CENTURY IF ---"

An Address by

WILLIAM FREDERICK HOLDING
Immediate Past President, Canadian Manufacturers' Association

Joint meeting with The Canadian Club of Toronto

Thursday, January 17th, 1952

CHAIRMAN: The President, Mr. D. H. Gibson.

MR. GIBSON: Our speaker will be introduced by Mr. Thomas H. Howse, a Past President of The Empire Club of Canada.

MR. HOWSE: It is a great pleasure for me to have the privilege today of introducing our guest speaker, who is a very old friend of mine.

I have watched Mr. Holding's steady climb through past years with intense interest because it is another example of the rewards that can be secured in this fair Canada of ours by those who have ability, and are prepared to work hard.

Our speaker today—was born in New York City; educated in New York, Toronto, and later in Birmingham, England. His father was an Englishman, and perhaps we have to thank that fortunate circumstance for the fact that Mr. Holding elected to spend most of his life in Canada.

During the first World War he served in the U.S. Navy, and at its conclusion held the rank of Ensign.

In 1919 he joined the staff of Price Waterhouse Co. (Chartered Accountants) here in Toronto, and secured his C.A. degree in 1923; he was with Price Waterhouse for eight years, two of which were spent in Mexico City.

In 1927 he joined his present company—General Steel Wares as Comptroller; where promotion came rapidly, he was moved up to the position of Treasurer in 1933; elected to the Board of Directors; and appointed a Vice-President in 1939; and 5 years later Vice-President and General Manager; then in 1946 Managing-Director, which all culminated in his election to the Presidency in 1950.

You will notice from your cards that Mr. Holding is an F.C.A. In April 1950 the Council of the Institute of Chartered Accountants in Ontario honored Mr. Holding by electing him to Fellowship.

Interspersed with his many activities, Mr. Holding has taken an ever-increasing interest in national affairs, and is the Immediate Past President of The Canadian Manufacturers Association. His term of office was highlighted by the fearless stand he took on a number of important issues, particularly on that controversial subject—illegal strikes—in fact, I remember asking him on one occasion whether he did not think it advisable to arrange for a body guard.

Last Monday evening, when speaking from Ottawa, Winston Churchill referred to the boundless future which lies before this fair Dominion, he said that when he first visited Canada the population was only 6½ millions while today it is 14 millions, and he prophesied that when his grandchildren visited Canada in the years to come the population would be 30 million.

We are now going to hear an enlargement on this subject. It affords me very great pleasure to introduce William Frederick Holding, F.C.A. who has chosen as his subject—"Canada's Century If—"

MR. HOLDING: Nearly fifty years ago, a great politician, statesman and patriot, declared that the 20th century would be Canada's Century. Since, at the beginning of the century, Sir Wilfred Laurier could have had small appreciation of the great store of mineral wealth locked within that vast northern region known as the Canadian

Shield—or of the fuel wealth under the prairies—his prediction must have been based on something more than material values. He must have thought he perceived, in his fellow-countrymen, those qualities of leadership and resourcefulness which make for progress.

While it must be recognized that Canada has made considerable progress during the first half of the twentieth century—her development can hardly be regarded as spectacular when we consider the great natural wealth with which a bountiful providence has so lavishly endowed this country. In fact, there are those—and I am one of them—who feel that we have not taken reasonable advantage of our opportunities to achieve for our country a more secure and influential position amongst the nations of the world.

Yet Canadians' success with specific projects—the building of Transcontinental Railways—the development of Hydro-Electric Power—her contribution towards the production of munitions during the second World War—and the accomplishments of individual Canadians in the fields of Science, Engineering, Medicine, Arts and Letters—would seem to prove that the failure is not in the character and qualities of the individual Canadian—but rather in the course which they plotted for their ship of state.

We have about fifty years to fulfill the prediction that the twentieth century would be Canada's. If we would still like to establish title—(and there is time for considerable progress in that direction)—it seems to me that we will have to alter our national thinking in some important aspects of our economic and political relations with other countries.

A country's greatness, and its influence in world affairs, depends in large measure on the number of people that can be supported—at a high standard of living—within its borders. No matter how extensive are the natural resources of a nation—if such resources are not being used for the support of a domestic population large enough to provide for protection of the nation against aggressors, and to make a significant contribution towards the amenities of civilization and the support and defense of its political ideologies—that nation will be a second rate country.

Canada's progress has been greatly retarded by the conviction that it must always be a 'small population country'.

The small population theory, sprang first from the belief that Canada's natural resources consisted of a narrow belt of arable land and a large amount of forest and rock—practically useless for providing a living for more than a few thousand. This was a pretty reasonable belief up to forty years ago, but not now. Not only have we found that the arable belt is very much larger than had been thought—but that the forests and rocks contain undreamed of wealth. The most powerful country in the world, for example, is dependent on Canada's forests for its newspapers and magazines—and its defence programme would be utterly impossible without Canadian Nickel.

What are the principal materials on which modern civilization is based?—Fuel and Iron. Fifteen, even ten years ago, most Canadians thought we must be forever dependent on the U.S.A. for fuel and iron ore. Now,—it is more likely the U.S.A. and Great Britain will be dependent on us for iron—and—with the limited exploration already done,—we know we have oil and gas for all our needs for centuries.

I do not wish to burden you with a lot of statistics, but it will help you to form an opinion of Canada's ability to absorb population—if you will consider what other nations have done in this regard. If Canada's *habitable* area—please note that I am saying habitable and not total area—if her habitable area were populated on the basis of Great Britain, we would have 700,000,000 people in this country instead of 14,000,000—on the basis of Holland, 1,200,000,000—on the basis of the most prosperous nation in the world today, (the U.S.A.), 80,000,000.

The noted geographer, Dr. Griffith Taylor, in his book "Canada" published in 1947 estimated a potential population for Canada of 100,000,000 people, living at European standards—or 50,000,000 at the standards of a rich new country. That Professor Taylor's calculations gave little importance to the tremendous potentials for oil and minerals not yet uncovered in 1947—may be assumed from this quotation from his book. I quote:

"It is my experience that those in authority are wisely frowning on the rather wild statements which from time to time are made with regard to 'potentialities' of the north. Such has certainly been the case with certain oilfields and analogous mineral areas." Unquote.

Read Professor Taylor's very fine textbook "Canada" —and Mr. LeBourdais' less technical but most stimulating book "Canada's Century" published in 1951,—and you must indeed be a pessimist if you still doubt Canada's ability to support a population of well over 50,000,000—and on a higher standard of living than we enjoy in this country today.

So much for our ability to support a larger population —why is a larger population something to be desired?

The urge for survival is probably the most powerful force in nature. There are in the world today, countries whose natural resources are inadequate for the maintenance of a decent standard of living for their inhabitants. This constitutes a real and ever present hazard for the political independence of a "small population' country with natural resources far in excess of the needs of its population, such as Canada. Now that the rest of the world as well as we, ourselves, are aware of the vast natural resources lying comparatively dormant within our borders—(raw materials that are urgently required for the welfare of humanity)—either we will use them to build up a strong reliant nation providing shelter and sustenance for a population in keeping with such resources —or they will pass from our control.

Surely, with the knowledge of what has happened to so many European countries during the past fifteen years fresh in our memories—we can have no doubt that there are nations who regard, with predatory eyes, the great natural wealth of Canada, (so inadequately defended)—and which—under their control—could be used so effectively for the furtherance of political and social aims and ideologies—quite inimical to the Canadian—the democratic—way of life.

Certainly, the United States would, in her own interests if for no other reason, try to defend us from aggressors—and, if they did so successfully—would it be surprising if they should get the idea that one national government would do a better defense job than two? At best, the acceptance of such protection would create an obligation which would almost inevitably compromise our political and economic independence.

But even if a much larger population were not essential to our survival as an independent nation,—it would still be necessary for the attainment of the standard of living which should be available to the people of a nation so richly endowed with raw materials and potential Hydro Power. The economic advantages to be derived from a larger population are—no doubt—best appreciated by the Canadian manufacturer. It is unfortunate—but perhaps not surprising—that the general public should fail to realize how important is a large market for *low cost production of manufactured merchandise.* A better general understanding of this matter would do much to remove the impediments to industrial development—which is of such importance to the welfare of the Canadian people as a whole.

In spite of the progress we have made to date—it must be admitted that manufacturing productivity per man hour is considerably lower in Canada than in the States—and the cost of Canadian-made products is consequently higher than the cost of American products.

How does the American domestic market, being over ten times the Canadian market, account for the discrepancy in the price of manufactured goods between the two countries?—The answer to this question must be thoroughly understood if Canada is to adopt international trade policies designed to foster the growth of industry in this country. While I will use the electric refrigerator to illustrate, the same difficulties are encountered in the manufacture of most products in Canada.

In the year 1950, there were 6,200,000 refrigerators produced in the United States—300,000 produced in Canada. There are at least five U.S. manufacturers who individually produced in 1950 twice as many refrigerators as were sold throughout Canada in that year. Before the manufacturer can get into production, there is expensive preparatory work to be done—research, development, designing, and manufacture of special tools and dies. The expense of such work is substantially the same—whether 30,000 or 600,000 refrigerators can be produced before consumer demands make it necessary to re-design and re-tool. Let us assume that the preparatory work cost $200,000. The Canadian manufacturer might expect to sell 30,000 before having to change the model—in which case, preparatory costs per unit would be $6.67. A U.S. manufacturer would probably sell 600,000 with the same preparatory expense—a cost per unit of only 34 cents.

Then there is the problem of actual manufacturing costs. For example, there are about 100 pressing or forming operations in making the 25 or so steel parts that make up the cabinet of a refrigerator. A large U.S. manufacturer will have a specialized machine for every one of those 100 operations. The required investment of $1,000,000 to $1,500,000 is reasonable for his volume. A Canadian manufacturer could use only 5% to 10% of the potential output of such specialized machines, and therefore cannot afford this investment. He must use all-purpose machines—and use each for numerous different jobs. His first extra cost is—that the all-purpose machine is not so efficient in operation as the specialized machine. The second, (and more substantial cost), is that the Canadian manufacturer's machines must lose a large proportion of their potential operating time while they are being changed from one job to another,—and remember—the labour cost involved in the frequent change-overs add significantly to the cost of the product.

The Canadian manufacturer pays more than the American manufacturer for much of his raw material and trimmings. This is due to the fact that, as yet, Canadian sources for such components are not always available—

or available in sufficient volume—and the cost of imported materials and trimmings is higher because of import duties. I certainly do not criticize the policy of fostering Canadian production of steel and other raw materials and trimmings used by us—by imposing a duty against imported materials; but when U.S. and Canadian prices on consumer products are being compared,—the higher price paid by the Canadian manufacturer for his raw materials must be remembered.

While labour rates in Canada are, as a rule, somewhat lower than in the United States—the cost of labour per unit of most articles manufactured in Canada, is, for the reasons already given, higher than in the United States.

The high cost of big Government for a small population is inevitably reflected in the cost of every article manufactured in Canada—and places the Canadian industrialist at a serious disadvantage in competing with manufacturers, operating in countries where the tax burden is shared by a greater number.

I don't suppose one person in a thousand—in comparing U.S. prices with Canadian—has any idea of the extra cost directly imposed by our Government, on manufactured goods. The 10% Federal Sales Tax alone accounts for 10% difference in price, because the U.S. Government has not now—nor has it ever had—any such tax. The 10% Sales Tax—and also the so-called Luxury Tax of 15%, levied against such common household necessities as Stoves, Washing machines and Refrigerators—tend to be overlooked or forgotten because they are collected at the manufacturer level—and the consumer therefore does not see how much tax he is paying in the purchase price.

If Canada's population is to be expanded sufficiently to assure her political and economic independence,—it will be possible only through her development industrially. She must provide adequate employment, (not only for immigrants to our shores), but for the Canadian youth who have, in the past, been compelled to migrate to the United States to secure suitable employment.

And surely the most implacable free trader must recognize that to provide sufficient employment for a larger population—we must produce in Canada, with Canadian labour, our requirements of manufactured merchandise—to the fullest extent possible. This holds true, particularly, where the consumer article can be fabricated from raw materials obtainable in this country—or, (as in the case of aluminum)—where cheap Hydro Electric Power is a significant factor in the cost of manufacture. In following this practice, it will be inevitable that, for a time, we will pay a somewhat higher nominal price, for some articles,—because they are made in Canada instead of being imported.

But the purchase money will not be going out of Canada. It will be used here to pay for wages and services in Canada—wages which in turn will be spent on the products of Canadian farms, and on clothing, homes, dental, medical and legal services, or newspapers, magazines and other goods manufactured or otherwise provided by Canadian residents—and to help pay the operating cost of Government in Canada.

The phenomenal development of the great American nation, was predicated on these general principles of international trade—regardless of the domestic cost of production, never purchase anything from abroad which can be manufactured in the U.S. with American labour—endeavour to obtain needed foreign raw material with a minimum of processing by the country of origin—and, so far as possible, confine U. S. exports to products having a high labour content.

Has this policy worked well in the U.S.A.? The evidence is this:

1. The U.S.A. has attained for its citizens by far the highest standard of living in the world.
2. The U.S. Government is so firmly convinced that the policy is the right one that they pursue it constantly. There only has to be the least threat to any American industry, and up goes the tariff. They don't wait for Congress to raise rates. The U.S. Government has

power to raise them, (but not lower them), by edict. They also have their customs regulations so drawn that they can apply any rate of duty that suits them. Any manufacturer proposing to export to the United States has to face the hazard of raised duties without warning and without a public hearing of any kind. Furthermore, the U.S. importers have the constant threat of having the U.S. Customs Department come after them for extra duties months after importation —because the U.S. Customs—(as a result of protest by some U.S. manufacturer)—has decided to change the classification of the goods retroactively.

But hasn't the U.S. lowered its tariff rates in recent years? Yes, on certain materials it could not produce in sufficient quantity, at home. Yes, on certain manufactured goods where it was an empty gesture.

Well, aren't there quite a few cases where the U.S. duty is the same as the Canadian duty, and isn't that fair? Yes, it is true in a certain number of cases that the U.S. duty rate is the same as the Canadian. As to fairness, it is about as fair as a foot-race between a giant and a midget with each limited to taking the same number of steps.

Particularly in the comparatively early stages of its development, no country can, (without seriously impairing its chances for industrial growth), import in significant volume—manufactured goods of a class or kind which can be produced in adequate quantity in the home market. Trade agreements should aim at the objective of having our exports contain as large a labour content —and our imports as small a labour content—as possible, so as to provide—in the case of exports—for the largest possible employment in Canada, and, in the case of imports, for the least possible subtraction from possible employment in Canada.

During the past several years,—Canada and the United States have participated in International Trade Agreements at Geneva, Annexy and Torquay. The United States has not carried out her undertakings under these agreements. I refer to her commitment to simplify U.S. Customs regulations that have been even more effective than her high tariff wall, in excluding goods of foreign manufacture. Only within the last six months—the U.S. has further breached the trade agreements by excluding the importation from Canada of fat milk products (Cheese, etc.).

Our Government has protested these breaches, but, in the meantime—we continue to give the concessions we undertook—while being deprived of the advantages we were supposed to get. Under the circumstances, I suggest that we would be entirely justified in taking any steps we consider necessary to exclude, or discourage, the importation of certain manufactured goods from the States, which are causing unemployment in Canadian factories.

I do not intend that any of my remarks about the American practice of excluding foreign-manufactured goods from the U.S. market should be construed as a criticism of their policy in this respect.

On the contrary,—I admire and respect the U.S. Government for following a course which has proven of tremendous value to the citizens of that country,—and which—if adopted in Canada and stream-lined for Canadian use—would, (I believe), greatly accelerate our industrial growth.

Most Canadians, while they would really like to see more manufacturing in Canada, have a terrible fear that —if our tariff rates are such as to keep out foreign goods —then Canadian manufacturers will become inefficient or make too large profits.

As to efficiency,—Canadians should look to the U.S.A. and ask themselves—"have high tariffs made the U.S. manufacturers inefficient?" The answer is, of course, No. It is well known that the U.S. output per man hour is the highest in the world. High tariffs helped to bring this about by ensuring that the U.S. manufacturer had the whole U.S. market. In Canada,—the Canadian manufacturers' efforts towards similar efficiency are handicapped, (not only by the smaller size of the Canadian market), but also by the fact that he has to share that market with foreign manufacturers.

Canadian Electric Refrigerator Manufacturers spent at least $10,000,000 between 1948 and 1951 to expand and improve their equipment. What happened? Those facilities are, today, almost idle.

The tariff rate on refrigerators was reduced—and, (as U.S. manufacturers had run into a slump), they found the Canadian market—a convenient outlet for their surplus production. They sent into Canada, during the first ten months of 1951—106,528 refrigerators—which is equal to 46% of all refrigerators sold in Canada, (both domestic and imported), during that period. These imports have—in fact—been more than the total sales of refrigerators in Canada for the past six months.

As to high tariffs being conducive to exorbitant profits—the controlling factor is competition. Would reserving the Canadian market for Canadian manufacturers, reduce competition to the point where unreasonable profits could be earned by the Canadian manufacturer? In almost all lines, competition takes two forms,—namely, there are several manufacturers in the same line,—and there are alternative products. It would be hard to find any Canadian product on which there was not plenty of both kinds of competition right here in Canada.

But, what about the possibility of Canadian firms getting together and eliminating competition? The protection against this is our anti-combines law,—the same as it is in the U.S.A. The combines department of the government can investigate and recommend prosecution—with or without complaint.

Suppose, however, that occasionally the worst happens—and—(as a result of increasing the duty on an article from 25% to 35%)—some Canadian manufacturer gets 10% more than a reasonable profit,—whatever that may be. Are we not better off in this country to pay $135 for the article when almost the whole amount is going to various Canadian wage earners who will, in turn, spend that money to buy Canadian goods and services—than to pay $100 (all of which will go to U.S. wage earners or investors who will spend all of it in the U.S.A.)?

Suppose some Canadian manufacturer is getting $10 too much profit in that $135 price? Is that a sound reason for taking $100 of buying power out of the Canadian community, especially when we consider that the government gets $5.26 extra tax out of that $10 profit anyway, in corporation tax.

I am afraid that the attitude of the average Canadian, with regard to protective tariffs and anti-dumping legislation, is much the same as it was in the horse and buggy days,—and so long as we continue in this mental attitude, we are going to make horse and buggy progress.

When Canadians were hewers of wood and drawers of water—farmers and woodsmen for more developed nations—agriculture was the main source of national income. Canada's fiscal policies were then, quite appropriately, designed to insure the lowest possible operating costs for the agriculturalist, because most of his products had to be sold abroad and he had to be able to meet competition from low price labour countries.

What we fail too often to realize is—that manufacturing has taken over—as the principal source of national income. It was recently reported that one-third of Canada's national income is now earned in manufacturing industries. Manufacturing now provides employment for 26% of Canada's labour force as compared with 20% employed in agricultural pursuits.

When you consider also that the taxes paid by industry are many, many times the amount of the taxes paid by agriculturists. You will realize that the maintenance of government services—of old age pensions, family allowances, unemployment insurance and other social benefits,—(in fact—the maintenance of our living standards at their present level),—now depends more on the prosperity of the manufacturing industry in Canada than on agriculture.

There are those who see, in the improvement in the Canadian dollar exchange rate, evidence of progress and prosperity.

Actually,—Hasn't an approximate balance in U.S.—Canadian exchange of dollars been achieved—by selling Canada's natural resources, (Canada's Capital), for the American dollars required to meet a large deficit in her trading balance with the U.S.A.? Digging Canada's natural wealth into flat cars or on to ships—for export to foreign countries—in order to pay for foreign-made manufactured goods—was not fast enough. During the past few years, we have been living in part, on our principal—by selling ownership in our irreplacable oil fields and mines—(not for anything of permanent value),—but for our day to day consumer goods.

One of the stumbling blocks in the way of our industrial development is our need to find foreign markets for our surplus production—principally farm products. This situation carries through from the time when it was thought that Canada could never be an industrial nation. So long as we are dependent for our prosperity on the willingness and ability of other countries to buy our surpluses,—our economic balance will be in jeopardy.

It seems obvious that we would be in a much stronger position if we did not produce surpluses, (in excess of what is required to pay for the things we must import)—but, instead, devoted our labours to growing and making the things we want to consume—in our own country.

Will this be Canada's century? It *can* be if we are prepared to abandon or modify policies which have become outmoded with the discovery of Canada's potentials for industrial development—and to adopt policies that will stimulate dynamic growth. The opportunity is still ours, to establish,—on our half of the North American continent,—a great democracy—with a population adequate to preserve its security and to afford for its citizens a standard of living second to none.

THANKS OF THE MEETING were expressed by Lt.-Col. Donald H. Jupp, O.B.E.

“SOME IMPRESSIONS”

An Address by

HENRY FORD II
President, Ford Motor Company

Joint meeting with The Canadian Club of Toronto

Thursday, January 24th, 1952

CHAIRMAN: The President, Mr. D. H. Gibson.

MR. GIBSON: This assembly the largest to my memory of business leaders is a tribute to the worthy character and distinguished record of our illustrious guest and speaker to-day—Mr. Henry Ford II.

At thirty-four years of age, Mr. Ford is President of one of the greatest manufacturing businesses in the world. It would be difficult—I don’t even know if it would be possible—to name a country among the free trading nations of the world, where the products of the many companies bearing his name, are not known up and down the highways around the globe.

The immensity of this great business empire is realized quickly when one considers that for example plans are under-way for an expenditure of fifty million dollars for **research** and **engineering centres** in Dearborn.

In an endeavour to render service to defence production, the Ford Company has made way for the building of planes, tanks, aircraft and other products, and now have, I understand, more than a billion dollars in defence orders, for which they are responsible.

Laying aside business matters for a moment, it is very impressive to learn that Mr. Ford also gives his time, as

Chairman of the Trustees of the Ford Foundation. From other sources I am informed—in fact the United States News and World Report printed this statement in a recent issue—that this Ford Foundation is the largest gift organization in the world.

If only time permitted it would be a delight to review together his many honours, which takes the best part of two pages.

In this world in which peace is so precarious and the clouds hang heavy and persistent, may I say I am convinced this Ford organization with its able leadership holds within its power by its world flow of commerce among free trading nations, one of the finest avenues for the development of mutual understanding and goodwill among nations. These are fundamental principles essential for helpful cooperation between nations.

May I assure you, our distinguished guest, Canada rejoices in the amazing peace-seeking efforts of your great United States.

Gentlemen, it is a special pleasure to introduce to this assembly one truly great in stature, Mr. Henry Ford II.

MR. FORD: I am very, very happy to be here. Although I have looked forward to a visit of this kind, I must admit that I hesitated a long time before accepting the very warm invitation to address you.

In the first place, I have a conviction that if there's any one thing of which the world has a surplus right now, it's words. Action, not words, it seems to me, is the prescription for the many problems we face.

In the second place, it seemed to me to risk misunderstanding for any American to appear before such a distinguished gathering of Canadian leadership as a joint meeting of the Canadian Club and the Empire Club. You might very well interpret anything I might say either as an awkward effort to tell you how to run your business or as a veiled invitation to Canada to become the forty-ninth state of the United States of America.

In short, I found myself in somewhat of a hole when I tried to think of a proper subject for my remarks here.

I certainly am not qualified to discuss the current political scene—either in your country or mine. Nor do I want to cry on your shoulders about the muddled state of automobile production in my home-town of Detroit. Perhaps you, too, have become a little tired of the constant complaining we hear on all sides about the troublesome and critically dangerous world in which we live. Perhaps you, too, find yourselves looking for hopeful things—evidence of progress and happiness. The doleful refrains about why the world and the people in it are just no good begin after a while, to put one's teeth on edge.

Perhaps also like you, I begin to feel comfortable in any situation only when the fears and prejudices we create in our own minds are set aside and the realities begin to emerge so one can come to grips with them.

Dealing with realities has long been the habit of the people of Canada and the United States in their relations with each other. For example, a hundred years or so ago it was found that, due to a surveyor's mistake, an American fort near Rouse's Point had been built on the wrong side of the line and was actually standing on Canadian territory. Now such a discovery in some parts of the world would undoubtedly have led to a great hue and cry, the beating of tom-toms, and maybe even organized shooting on a large scale. But what happened? You people merely moved the frontier back a bit so we wouldn't have to go to the expense of moving the building.

And perhaps the important part of the story is that so far as I know, there hasn't been a loaded gun in the fort for more than a century!

Now there are realities in the situation in which I find myself this afternoon. One of them is this: From the window of my home I can see Canada across the lake. And it never occurs to me that right over there is a foreign country.

You may remember Charles Lamb's comment to a friend: "See that man across the street?" he asked. "I hate him." "But," said the friend, "you don't even know him." "That's why I hate him," said Lamb.

A significant reality, then, is that I, like most Americans, feel I know you.

Far oftener than you have meetings of the Canadian Club or the Empire Club, I have to cross the River that separates us. I sometimes do this because I am in the business of making automobiles in Canada—along with some 14,500 other shareholders, 11,000 of whom are Canadian citizens.

Several times a month I ride the New York Central's "Detroiter" to New York and back again. That means that I spend about four-and-a-half hours each way in Canada. The simple reason that the New York Central tracks run through Canada from Buffalo to Windsor is because that is the shortest route between Detroit and New York. That's another reality.

For many, however, there is one inconvenience in this train ride. Canadian Customs seal the liquor closet just as soon as we leave Detroit, and it stays sealed until the train pulls into Buffalo. Thus, if you want a cocktail before dinner, you have to scramble to get one before the train pulls out of Detroit.

This, I may say, is a reality to which most Americans have adjusted themselves—very much as your forefathers did with the fort at Rouse's Point.

Perhaps the best thing I can do here today is, first, to give you at least one person's views about contemporary Canada; and, second, to discuss with you some aspects of the current scene in the United States which seem to me to need a particular emphasis.

Today your country is booming. Once largely an agricultural country, she has literally transformed herself in the last 30 years. Canada ranks seventh among all the nations of the world in manufacturing output. Your industry accounts for more than one-third of your national income.

In foreign trade, you are the world's third largest trader. Only the United States and Britain do a larger volume of business with other nations. We in the United States take two-thirds of all your exports, and you, in turn, are our best customer. The trade each way runs at more than two billion dollars a year.

Throughout the last war, you not only paid your own way, but, in addition, you contributed almost four billion dollars in supplies, food, and war materials to United Nations and liberated countries.

Your gross national product last year was around 21 billion dollars—nearly four times what it was in 1939—and a good measure of the healthy state of Canadian living standards.

What seems to me especially significant is that Canadian population has nearly tripled since 1900, and has gone up 25 per cent. in the last 10 years.

And I hope you will forgive my particular interest in the fact that one out of every seven Canadians drives his own automobile. I'm only sorry to have to report that all of these automobiles are not our products.

Statistics like these strike a responsive note in Americans like myself. Both Canadians and Americans, I think, have a feeling that the future is bubbling with promise. These figures show a country blessed with the rainbow of opportunity—a place which attracts people because here they are free to show vigor and initiative and imagination and courage as they follow their own individual dreams toward a better world for themselves and their fellow-men.

The discovery of oil in the western provinces, and of iron ore on the Quebec-Labrador border, are fabulous enough by any standard. However, natural resources don't amount to a hoot without initiative and imagination and freedom to develop them—and you people are demonstrating that you have what it takes.

I might add that we Yankees know a good thing when we see it. There are eight billion dollars of private U.S. investments up here in Canada—more than in any other area in the world.

To me, a very significant thing happened during the last year. For a great many years all of us—on both sides of the border—have been listening to a lot of talk about the St. Lawrence Seaway. For reasons I won't go into, this project got stalled in a political filibuster in the United States. Then suddenly you people put an end to the argument by saying that since we quite obviously didn't want to help you carry out the project you'd do the job yourselves.

This was initiative and imagination in action and, as well as anything else, typifies what I think of as the spirit of contemporary Canada.

Now let me turn your eyes southward to take a quick look at what is going on below our common border.

Perhaps I should make it clear that I am speaking only for myself this afternoon. No man should presume to speak for 155 million people. What I have to say here is therefore neither a Gallup poll of my countrymen nor a completely balanced and unbiased report.

There are some facts about present-day United States that I want to report to you with pride. They form a backdrop against which our current follies and arguments can be measured properly.

A most significant thing about my country today—a fact you might easily overlook because it is often obscured—is that, when viewed as a whole, the people are hard at work—in greater numbers than ever before, and with fewer interruptions. In 1951 employment hit an all-time peak of 61 million. Nearly 5½ million were employed in defense or defense-related jobs. During the year, only one-fifth as many man-days of work were lost because of strikes as in 1946.

Perhaps of special significance, the amount of money and total man-hours of effort spent in research reached a new high. More men and women than ever before were at the job of scientific probing and experimentation in the constant search for new and better materials and combinations of materials; for new and better machines and techniques for making things better and more efficiently.

Of course, the full result of all such effort will not show itself for months—or even years. But important and significant results are immediately apparent. Total national production moved upward steadily through the year. During 1951 our national production was 327 billion dollars. Agricultural production was at or near the record levels of 1949. There was more steel produced than in any other year in history. With record new investments in additional steel-producing capacity, and with new processes just around the corner, there is a better than even chance that 1952 will be a bigger steel year in the United States than 1951.

American corporations earned, after taxes, about 4.7 billion dollars less in 1951 than in the previous year. Nevertheless, workers' pay envelopes were fatter than ever and corporate dividends held up well.

During 1951 more than one million young men and women were brought into our Armed Services. At the same time, American college and university enrollments totalled more than 2,650,000.

Standard-of-living indicators are tricky things to use. But any one you pick shows that the United States has kept on moving steadily forward toward higher levels for most of our people.

So far so good. Many of you may even now be asking yourselves why, in the face of facts such as these, there should appear to be so much commotion so much of the time below the border.

Probably every person in the United States would answer that question in a different way. In my opinion, the answer runs something like this:

Americans, I am sure, are by and large, united on what they want out of life. They want peace. They want a sense of personal dignity and a feeling of security. They want to live at least a little bit better every year than the did the year before. They want an open chance to get on in the world. They want just as much personal freedom as they can have in what is becoming a very complicated industrial society.

The confusion and commotion, then, does not arise from lack of common goals. It all arises from argument over method, from different points of view as to how those goals can best be achieved.

Let's look at it this way for a moment. Maybe the people of Russia have exactly the goals I have named.

But the great difference is in method. The rulers of Russia inflict on its people, with an iron hand, their method for achieving a certain goal. We try out one method after another, discarding the ones that don't work, improving those that do. Meanwhile, we keep arguing and squabbling—because we know that all real progress grows out of the clash of opinion in a free market-place of ideas, just as we know that better products inevitably emerge from the clash of competition in the market-place of products.

Let me give you one instance. Washington officials decided on a certain method of allocating steel and other important materials. But I live and work in Detroit. Our job at Ford Motor Company is trying to get out defense production, automobiles and trucks and parts—and trying to keep one company in its proper place in a tough competitive business. Part of my job is also to keep men at work. Looked at from that point of view, the Washington method is hard for us to understand. And, in this case, I've added my own voice to the argument, because the Washington method has put thousands of men out of work and deprived people of essential transportation—without substituting new jobs in defense or suggesting how the nation's transportation needs are going to be met properly.

This kind of situation is, of course, related to another loud argument that is going on. This deals with the size and speed of the United States defense program. During the fiscal year ending June 30, the United States will have spent almost 47 billion dollars on its Armed Forces in military and economic aid to allies. And now the President is asking for a total Federal budget of more than 85 billion dollars.

That is a lot of money, and you certainly are not surprised that people are asking so many questions about it. One school of thought—or perhaps I should say school of method—argues that we are endangering our future in trying for too much too soon. Another says we cannot have enough too soon. But how much is enough? How much can we afford? How soon might it be needed? I don't know the answer. But I do know that strength is

January 24th: Henry Ford II. Partly hidden behind him is the President, D. H. Gibson.

not only a matter of military might. It is basically a matter of economic health.

If, in fact, the same method is being applied to the whole defense effort as to the automobile industry, I would dispute it just as stubbornly as I have the method that has made life very hard indeed for people in Detroit. Even Mr. Reuther, with whom I don't always agree, sees eye-to-eye with me on this, I think.

There is so much commotion and argument about so many subjects in my country right now that I would not dare attempt this afternoon to spell it out. But since this is an election year in the United States, I can promise you that the commotion will reach a mighty roar before November 4th.

I do not want to be misunderstood here. I'm not complaining; I'm trying to explain. And I want to remind you that there are two most important things to observe about the current scene in the United States:

First, we accept this endless debate as a price we are very glad to pay for the privilege of living in a free country. This is the way we find fresh and workable solutions to problems that may be old to others but are new to us.

Second, like decent people everywhere, Americans loathe war. That is why we out-did ourselves in 1945 and 1946 in cutting down on our Armed Forces as fast as we could, and in getting rid of our arms and the plants and facilities for making them. All our hopes are hung around the dream of a world at peace, and if we made a mistake in hasty demobilization, it was a mistake of the head, not of the heart.

So now, as the American people turn again to the difficult and thankless task of preparing to defend themselves and of helping their friends to defend themselves, it may be worthwhile to remind you of a few things that I think are important about my country today.

First, the United States has traditionally been a nation of people who wanted to avoid getting involved with other nations unless it seemed absolutely necessary. We are a people who have wanted to be left alone. We had a great idea, and vast frontiers of natural resources in which to develop it. It is an idea you share with us. It is the idea that the most important thing in the world is the human individual; that every man should be given as much freedom and incentive as society can possibly give him to work out his own dreams in his own way.

Now we think it has been demonstrated that this great idea is also a very practical one. It works. It pays off. When you set free the creative energies of millions of individuals, you release an explosive force that performs miracles for all mankind. You can't plan them or forecast them. They often come from the most unexpected places, and in the oddest circumstances. An uneducated boy peddling newspapers and chewing gum on trains invented the electric light. A couple of lads in an Ohio bicycle shop who didn't have the money to go to college built and flew the first aeroplane. A Michigan farm boy set to work the principle of mass production that gave inexpensive transportation to hundreds of millions of people.

We still have faith and enthusiasm for our idea. To keep it alive and working in the affairs of men we have pledged "our lives, our fortunes, and our sacred honor." We think the development of the idea should be the goal of all mankind.

Second, we have learned—as have free men the world over—that being permitted to work out our destiny today is a luxury for which we have to pay a price—the price of being strong. Only the strong can be free, and those who value their freedom have got to pool their strength. We have learned that we can be left alone only in a world of peace, for peace is only another name for being left alone. And we have learned that we will have peace only to the extent that we are strong enough to make attempts at aggression a forbidding risk—far too dangerous to undertake.

Third, we Americans are convinced that we must achieve military might without destroying the economic health on which real strength depends. That is why we insist on continuing high-level production for civilian use

—more and better and lower-priced refrigerators and telephones and oil burners and automobiles and electric irons and the thousands of other items that help to lift human life out of an endless routine of drudgery and give it new meaning.

Fourth, we know also that our national strength is measured not only by what our military might happens to be at the moment, nor even by the current state of our economic health, but by our steadily increasing capacity. The free men of the world can stay free and be strong and keep the peace of the world only to the extent that they maintain the long-term capacity to do these things.

Fifth, we feel very strongly that all our hopes for progress rest, in the last analysis, on the resourcefulness of our people. For, as we see it, the very purpose of freedom is the opportunity it gives to develop individual resourcefulness as man tries to make the most of himself. That is why we keep insisting on the maximum freedom from restraints and controls—particularly the restraints and controls of government bureaucracy.

This is not a matter of theory with us. Wars and national emergencies, which require centralized coordination and control over the economy, have given us some experience. We have learned something of the waste and inefficiency that always goes along with it. We have learned a little about its frustrations—the roadblocks it throws in the way of initiative. We know how control inhibits the free play of imaginative mind that very often adds up to great achievement. As the opportunity and incentives for individual initiative and resourcefulness disappear, people tend more and more to turn to others for the solution of their problems.

So, while we realize that the tremendous job facing us as a people over the years ahead is one which requires a degree of managed cooperation, we want no more government control than is absolutely essential. Even then we are going to demand constant public audits to make sure that public monkeyshines, waste and inefficiency are kept to the minimum.

Perhaps this sketch of the situation in the United States today sounds familiar to you. It should. In many of its aspects, it is a situation common to all hard-working people who believe in freedom. You, here in Canada, share our determination to see to it that free men shall continue to have opportunity to work out their destinies. Your great strength, too, as Canada's history demonstrates, lies in the resourcefulness of your people. And your great capacity as a nation is producing economic health and ability to aid the military might of the free world.

It seems clear today that people everywhere are turning for leadership to the New World—to the dynamic potential and the example of the free people of North America. That trust is not misplaced.

We share a great idea.

We know the benefits of cooperation and friendship.

I am certain that together we will meet this challenge—each in his own way.

Our way may seem unorthodox to older nations. But it's a good way. For getting everybody into the act and letting him speak his piece is a far, far better way than trusting our destines to a man—or group of men—who may get the notion that they know what is best for the rest of us.

THANKS OF THE MEETING were expressed by Mr. John C. Porter, a Vice-President of The Canadian Club of Toronto.

"TODAY AND TOMORROW IN BRITAIN"

An Address by

LADY MEGAN LLOYD GEORGE

Friday, January 25th, 1952

CHAIRMAN: The President, Mr. D. H. Gibson.

MR. GIBSON: We had at this Assembly yesterday Mr. Henry Ford, a most distinguished guest, marvellous speaker, from the United States of America. The gathering today is equally privileged and fortunate, and I claim that is a far greater tribute than any verbal words I can express in extending to Lady Megan, the whole-hearted reception which the City of Toronto desires to render to so distinguished a lady.

I had the privilege of first going to Europe in 1906, and if time permitted I would greatly enjoy weaving the pattern of Lady Megan's illustrious father, for I had opportunity in those days conferring with governing men, and he was an outstanding man in most of his declarations as Prime Minister during a large part of the First World War, in fact, an important part of it. Following that, we can all recall like yesterday how we hung on his words as he broadcast to the world the progress of that terrific conflict. Generation after generation will owe him a great debt for the magnificent service he rendered to his generation.

It is also a very enticing picture, of how this one family has made a contribution that is outstanding in this generation. First her illustrious father, and now Lady Megan herself, having served twenty-three years in that famous

Mother of Parliament, and now we have also her brother invited into Churchill's Cabinet as Minister of Food. Truly few families in history have rendered to the State a nobler service than this distinguished family. I have often felt it must be with peculiar feelings one mingles amid those stately columns of the House of Commons by the River Thames, where for centuries the evolution of democratic government and the sacred regard for law and order ruled an Empire.

Lady Megan has come from a land of free people, tested as by fire in every fibre of the human mind and spirit, as these great people stood alone for fourteen long months preserving for mankind the treasures of civilization. I am convinced of this fact: the hour has come when we in Canada should valiantly, and to the uttermost, stand by these gallant and noble people arising from the altars of sacrifice as a people brave beyond understanding and patient with a devotion that stirs the heart.

The record of our distinguished guest is one of persistent endeavour to lift the standards of human living. She believes in the unfailing resources of the human mind and heart, making collectively a large contribution to progress in our civilization.

Until recently Lady Megan has occupied the position of Deputy Leader of the Liberal Party in Great Britain. After Lady Astor, she became Mother of the House, as she was the lady member with the longest years of service in the House. She was also a member of the Broadcasting Commission, called the Beveridge Commission, a very important Commission.

With this, my friends, Ladies and Gentlemen, I have great honour and pleasure in presenting to you Lady Megan Lloyd George!

LADY MEGAN LLOYD GEORGE: Mr. President and Ladies and Gentlemen:

May I say, first of all, that I would like to thank you for the very signal honour that you have done me today in inviting me here as your guest. I can assure you that I appreciate it most deeply.

I should also claim your sympathy, and indulgence in that I have to follow today, a very remarkable special meeting yesterday addressed by a distinguished industrialist of world renown from your great neighbor country.

Now before I come to my theme, I would like to say how wonderful it is to be back again in Canada, because of course this is not the first time I have been here. I have a sense of being in a home from home and it is a wonderful feeling. The last time I came to Canada was —I was not going to tell you when, I thought I could get away with it, but I am afraid you will be making calculations and may get the right answer; but it was in 1923 when my mother and I accompanied my father on his tour. My father was accustomed to receptions of all kinds —warm, not so warm, and much too warm. But I know well that the wonderful welcome he received from the Canadian people was one of the proudest and happiest memories of his long life. That was just after the First World War.

The week before last you gave another great welcome to another British Prime Minister, Mr. Winston Churchill, to whom all citizens of the Commonwealth owe a great debt for his services in the Second World War.

What a transformation has taken place since 1923 in Canada! At that time Canada had a population of 8½ million: now it has a population of 13½ million. The population of Toronto has almost trebled! In 1923 Canada was just beginning to emerge as an industrial power. Now she is taking her proud place in the first rank of industrial countries. Canada can do something today which few other countries in the world can do: in the words of a famous phrase, she can look the American dollar right in the eye! And indeed I was not sure two or three days ago that she was not going to be in a position to just look down on it a little.

It is a very exhilarating experience for anybody in Europe to come into such a rarified atmosphere. In the 18th century it was not considered that any young man had completed his education unless he had made the grand tour of Europe: I believe today that it should be part of the education of every young Briton to come to Canada, to see this vital, maturing country, which has still new worlds to conquer and which is every year tapping and developing new sources of wealth.

Yesterday Mr. Ford spoke to you as the representative of one young country to another. I am going to speak to you today as a humble citizen of an old country,—what is known to the Commonwealth as *the Old Country*. And I come here,—and I am not at all ashamed to admit it—I come here to say a word for Britain. I know it is not necessary in Canada, because one of the things that has impressed me most since I have been here has been the great understanding of the problems of Britain today.

Now there is no place, so I am told and I believe it is true from experience, where you can speak with greater frankness than in your own family circle, and so today I am going to be very frank in this Commonwealth circle. Some pretty hard things have been said about Britain, but not nearly as hard as the things we have said about ourselves. Well that is all right for home consumption; but it is not very good for export, and it is not a very good American dollar earner. We understand these things in Canada. In Britain we have been brought up in that tradition of free political interchange, but it is apt to be misunderstood outside and misinterpreted abroad. As a result, you have a distorted picture of a Britain unable to meet her liabilities, indulging in extravagances, like Health Insurance, Social Services, and all that kind of thing.

Now I would like for one minute, this afternoon, to look at some of those bills that we have run up and that we are finding it difficult to pay.

I remember attending with my father a luncheon of industrialists in the years of another economic depression. They were very gloomy about the future, and I remember vividly one passage in his speech. He said: "Some countries boast of having the highest mountains in the world, some of having the largest territories." He mentions, "We have the largest national debt in the world." He said, "Let us boast about it!" "Why had we incurred those debts?" His answer was, in the cause of liberty and of suffering humanity.

What about today? Everybody is paying a very heavy price for peace, and all the free countries are prepared to pay that price. But Britain is making heavier sacrifices today in relation to her resources and difficulties than almost any other country in the world. She is spending something like 23% of her income on defence while the United States is spending about 19%. We are going to spend 4 thousand millions in the next few years: that is, if my arithmetic is correct, nearly $12 thousand million dollars. A tidy little sum for a war-worn country to spend in the cause of peace!

How great is the contribution we are making? I tell you if we were not making that stupendous contribution, General Eisenhower's European Force would be 40% smaller for very nearly the half is contributed to the European Force by Britain! I think that is a bill we can be proud of. Should that to be classed as an extravagance?

What else? We have cause in Britain to be deeply grateful to Canada and to the United States for the wonderful generous assistance they have given to us. It has been a very present help in trouble, I can assure you. But is there anything else on the other side of the ledger? Have we paid out anything to any other country, or have we just been at the receiving end? Now here is a fact that is too often forgotten, although I am sure not in Canada. But in all, Britain has paid out in gifts and loans, and in military expenditure to countries like Greece, far more than she has received in generous aid from Canada's Post War Loan and from the whole of the Marshall Aid!

In fact for every 6½ dollars that Britain has received in aid, mostly on a loan basis, she has been giving away $10. Not bad! Was this extravagance? Was this unnecessary? Was she wasting her substance? She gave it to refugees who were driven from their countries, homeless, stateless: she gave it to countries in Asia and Europe whose economic need was so desperate that they were in danger of falling unwilling victims to Communism. She has carried half the burden of feeding Germany for two years. All very necessary expenditure, this!

Just think of what has happened to the United States with all her vast resources. Think of her national debt. It has increased by leaps and bounds in the last few years. Why? It is a measure of the new responsibilities that she is shouldering. It is a measure of the new leadership that she is assuming in world affairs, one of the most significant and far-reaching events that has happened in this century, and we can all thank God for it.

In the same way the National debt of Great Britain is the measure of the part that she is playing in world affairs, in spite of all her burdens and difficulties today!

Now you will say to me—and quite rightly—"Well that is all very fine. What about the social services, what about the food subsidies? What about the Health Services: Do you think that these are debts to boast of? Do you really think that these things are necessary? Could you not have postponed them until better times? Wouldn't it have been far wiser to do that?"

All right; let us face up to those questions as well.

Hitler once said that if there had been no Insurance Services in Great Britain after the first world war, there would have been revolution. How well it would have suited his book if that had happened. In this connection, therefore, may I point out to you how slow has been the progress of Communism in Great Britain as compared with other countries in Europe. In France, in Italy there are strong Communist parties; there is a powerful Communist Party in the French Chamber. What about the House of Commons? We have only had two Communist Members, and they were swept out in 1950. Sometimes good people are swept out also! Today there is not a single Communist Member in the British House of Commons.

Is that just an accident? Is it just that the narrow strip of water, that moat that surrounds our Island fortress has once more been our salvation? I believe there is a great deal more to it than that. It is not only in South East Asia and the underdeveloped countries that the standard of living has got to be raised and maintained, if we are going to fight Communism: it is just as important to raise the standard of living in Europe and to maintain it in Britain. And I say to you today, that to have a healthy Britain, sound at heart—and she is sound of heart—is an incalculable asset to the free world and to the Commonwealth of Nations.

And so I claim that this tremendous redistribution of wealth that has taken place in Britain has been a great strengthening of her structure, yes, of her industrial structure. You have to carry the workers of the country with you, because you have to have a tremendous industrial effort to increase our exports and to restore our economy and I believe this re-distribution of wealth has been thoroughly justified. We have narrowed the gap between great riches and poverty. I do not think that is something that we need hang our heads in shame about. The other day a survey of the conditions in the great City of York was published, and a comparison drawn between today and 1936. It showed that 17% of the people in 1936 lived below the poverty line, and today only 1.7% are below the poverty line.

Of course that has been a very slow process. It started—I must confess it was set in rather violent motion about forty years ago by my father. It wasn't very popular in those days. I remember very well a story that was told about him—or at the time how Shackleton, the explorer, was setting out on a great expedition to the Pole. He was very short of money, and he thought he would go and ask my father's advice, who was then Chancellor of the Exchequer. Shackleton said to him, "Can you tell me of any great industrialist that can help?" And my father replied, "I don't think I am very popular in the City of London just now." But nevertheless he suggested the name of a great industrialist. Shackleton went to see him. He came back a fortnight after, to report to me. Father asked, "How did you get on?"

"Wonderfully," he said. "So and So undertook to give $20,000 if I took you with me, and he said he would give me $10,000 for the expedition. He said he would give me me $30,000 if I did not bring you back." That was the kind of feeling in certain quarters about the Welfare state then.

But now, make no mistake about it, it was accepted by Parliament during the War, by all parties alike; in its broad outline it is accepted by the nation today. Well, in spite of all this, we realize perfectly we are up against a serious crisis in Britain. The whole Sterling area is up against a serious crisis, the worst it has ever faced. We know that if the drain on our resources continues at the present rate, unchecked, we should be, at the end of nine months, down to our last bar of gold.

We realize we have got to make sacrifices, and I think we have proved our readiness to make sacrifices in the past. For a long time now we have cut down our "utility" coat to suit our cloth. We recently had a cut of £350 million in imports, which means more austerity for the British people. And you know we have not had the "all clear" in Britain since the war. We have been living on war rations in many respects.

They used to say it is the roast beef of old England that makes us what we are today. Well, my brother, who is also Minister of Food — "Alas, my poor brother!" — has had to cut the meat ration by 3d. So now it is 1/2d. worth of roast beef which makes us what we are—a very tough old country, a better fed nation taking it all through, from the top level right down to the poorest income group, than we have ever been before, and a healthier nation, so our Chief Medical Officer of Health has told us, than ever before.

There is plenty of muscle, energy and vitality still in Britain. There is still plenty of life in the old Bulldog yet!

But I do say this to you, in all earnestness, that the British people will accept, I believe, all the sacrifices that are necessary if it is shown to them, first of all, that they are necessary, and — and this is the important thing to realize — if the burdens are equally shared, and that they are not allowed to fall on those least able to bear them.

That is why I say to you that I believe the remedy in Britain is not to cut the social services but to produce more wealth: it is not to cut down the slices that you distribute but to produce a larger cake; and to increase our exports, and our production. Sceptics will say: "I know that is all very fine, but can you do it? Can you stand on your own feet?"

As many of you realize, by the end of 1950 Britain had reached the position where she could be independent of foreign assistance, and for that reason Marshall Aid was suspended to Britain. We had bridged the gap, we were standing squarely on our own feet. What happened? Then came Korea with its crippling impact, not only on the economy of Britain but on the economy of all the countries of the world. We had rolled the great stone right up to the top of the incline: we were there. Then suddenly the ground gave way under our feet! But we have done it once, we can do it again, and we *SHALL DO IT AGAIN!*

People will say, we are going down hill. Don't you believe it! People always say that when the Party of which they do not particularly approve is in office. That is common practice in all countries. I expect it happens in Canada, as it does in all democratic countries. We in Britain have survived Governments of all hues, and we shall continue to do so. We shall fight and win this new battle of Britain. It will be a long and an up-hill struggle, but of the final issue I have no doubt nor after the contacts I have had in Canada, have the Canadian people any doubts either as to the final result.

I say to you today that the spirit of the British people is just the same as it was in 1940, when they "stood alone." It has not changed in any degree; it will respond to any challenge, however difficult and however hard. Britain will, I am convinced, in the future take its place once again with the other countries of the Commonwealth, providing one of the most stabilizing factors in international politics and providing, with Canada and all her proud sister nations of the Commonwealth, a living example of the peaceful collaboration of free nations.

THANKS OF THE MEETING were expressed by Mrs. David MacLaren.

"SOME IMPRESSIONS FROM A SISTER DOMINION"

An Address by

HIS EXCELLENCY T. C. A. HISLOP, C.M.G.
New Zealand High Commissioner to Canada

Thursday, January 31st, 1952

CHAIRMAN: The President, Mr. D. H. Gibson.

MR. GIBSON: Our speaker will be introduced by Mr. Harry Oldham, United Kingdom Trade Commissioner.

MR. OLDHAM: "Mr. Gibson and fellow members of The Empire Club of Canada, it gives me great pleasure, and I regard it as an honour, to have been asked to introduce to you to-day His Excellency T. C. A. Hislop, C.M.G., High Commissioner for New Zealand. Mr. Hislop, as your invitation cards indicate, was born in New Zealand and was educated at Cambridge University, England. He served in World War I which was, as we have agreed at the luncheon table, "our" war and the "great" war, and later returned to New Zealand where, for fourteen years, he was the Mayor of Wellington. I hope that during his successful years in the tenure of that illustrious office, his path was not as stony or as thorny as is sometimes found by our Mayors in Toronto. Mr. Hislop is a barrister by profession and became a diplomat in August, 1950, when he came to Canada as High Commissioner for New Zealand. There are some in the world to-day, particularly in Canada, who are more than a little hesitant about using the word "Dominion", and it is, therefore, all the more courageous and commendable of Mr. Hislop to come to-day to The

Empire Club in Toronto, and so courageously address you on "Some Impressions of a Sister *Dominion.*" I commend to you heartily His Excellency T. C. A. Hislop, C.M.G., High Commissioner for the Government of New Zealand in Canada."

MR. HISLOP: It is with a feeling of very real pleasure that I find myself here as your guest today. It is now only some seventeen months or so since I arrived in this country to take up my duties as High Commissioner for New Zealand in Canada. In that comparatively short time it has been my good fortune to journey to many parts of the country, in fact I have travelled, by rail and road and a little by air, some 30,000 miles in Canada and in the course of these journeyings I have visited many towns, large and small, and met many thousands of Canadians. They, in their role of patient listeners, have heard me make many speeches which they have professed, I hope with sincerity, to have enjoyed, while I have had the opportunity of making friends and I hope of doing something in my sphere to draw still closer together in the bonds of friendship the people of your country and mine and so to make still stronger the spirit of unity within the British Commonwealth and Empire.

These visits have all been to me full of interest; I have learned much of Canada and its virile people and experienced in full measure the kindliness and hospitality of Canadians.

The meeting today, however, I look upon as a special occasion, because I come among a gathering of men who, by the charter of their organization, are united in a club founded for a single purpose and with a common aim, with which my country is in full and complete accord — the aim and purpose of strengthening the bonds of unity within the Empire. I use the word "Empire" not only because that is the good old word used in your charter, but because whether you use it or the more modern "Commonwealth" or "Commonwealth and Empire" the ideal and the purpose is the same. In the pursuit of that high purpose we can move forward inspired by the story of our own beginnings, by the march of events down the centuries, by the courage and determination of our forebears, so that we move with resolution and with faith into the days and the years that lie ahead.

In your faithful pursuit of the charter of your organization to make strong and unbreakable in all the stresses of national life the ties of Commonwealth and of Empire, you have the inspiration of a proud and long tradition. Cheap and ignorant and sometimes wilfully malicious gibes have been made at what was known as the British Empire, but I would venture to say that at no time in the world's history was there such an advance in the mental, moral and material welfare of mankind as in the days of the Pax Britannica. When we look back over the past and from it take our guide and inspiration for the future, let us pay our tribute to that land of Britain, cradle of those ideals of human liberty which are of the very fibre of our being. We can think with pride of the men and women who, down the centuries, set forth across the oceans and made the beginnings of your country and of mine and who nurtured and developed the spirit of freedom and of human enterprise in those far flung lands that made the British Empire and Commonwealth.

In that storied past, as in all human affairs, there are, maybe, dark pages, but, all in all, it is a great and glorious story of the progress of mankind, of "freedom slowly broadening down from precedent to precedent", and finding its ultimate expression in the parliaments of the free nations of the Commonwealth.

Let us then ever remember the land and the people, the land whence spread the ideals of true democracy and ordered freedom, the land that never did, nor shall, waver in adversity and that time and again by the enduring courage of its people held the pass against the forces of tyranny. We remember with pride the part we of the Commonwealth and Empire played in those dark days of stress, but let us never forget the land of Britain, the land and people that stood steadfast in the very forefront of the battle and whence came the clarion call of the man who matched the dread hour with his dauntless courage — Winston Churchill.

Your Society, the Empire Society, works to retain the inspiration of the past and to nurture the growth and development of its ideals to meet the needs of human progress, so that we can go forward together as a united British Commonwealth and Empire in the van of human progress. Your Society here in Toronto is active and vigorous. You will, I am sure, be glad to hear that in my country we have similar societies, each vigorous and active and growing in strength. I am satisfied that through the activities of these various societies, and through the circulation of that admirable journal "United Empire" we each appreciate the better the extent and diversities of the Commonwealth and Empire. We appreciate the better both its strength and vast potential strength and the many problems it faces. Above all, I think we realize that we are members each of a great family and while each works freely in its respective sphere, it is in basic unity that our strength and our salvation lies. But with all this be it remembered that our family unity is not designed to make us an isolated unity among the nations. Far be this from our aspirations. On the contrary, our family unity can make us far the more effective to work side by side with the freedom loving nations of the world to safeguard and to develop the spirit of ordered liberty and the material progress and happiness of mankind.

I have told you with what pleasure I am here today. I regard it as a compliment to my country that its representative should, on such an occasion as this, be invited to address you. But I think it is due to you, and may be of interest to you, that I should tell you a little about that part of the British Commonwealth which is known as New Zealand. It is possible, indeed probable, that some of you are by no means certain where New Zealand is. I am fortified in my belief in this possibility by some amusing experiences I have had in Canada. I have been told on some occasions when I have tested the knowledge of some Canadian friends that New Zealand was part of Australia. One paper once announced me as the Aussie High Commissioner; one Chairman announced I had for 13 years been Lord Mayor of Melbourne.

The other day a friend took me to a fishing club and told the Manager in advance that he was bringing the High Commissioner for New Zealand. The day after my arrival my friend told me the manager had said to him in great astonishment, and in reference to myself, "He (i.e., myself) talks quite good English". Well, New Zealand is not part of Australia. It lies 1,200 miles from Australia to the East across the Tasman Sea. It is only 100,000 square miles in area, roughly the same as Great Britain, and is only one fortieth the area of Canada. But it is a land of surpassing beauty with every variety of scenery, mountain, lake, fiord, thermal, rivers and wide and fertile pastures. With no extremes of climate, temperatures of 75-80 in summer and 50-45 above, and not below, zero in winter and with an ample rainfall. Gifted thus by nature and with the industry and skill of farmers the farms of New Zealand are among the most productive in the world.

We are the world's greatest exporters of dairy produce, butter and cheese, and the second largest producer of wool in the world. From New Zealand comes half the butter and cheese that goes into Great Britain from all over the world and more meat will go from New Zealand to Great Britain this year than from the Argentine and Australia combined. We have our local industries and we have our sports and our amusements. Our rainbow trout fishing and our deep sea sporting fishing are not surpassed, if indeed equalled, anywhere.

Amidst all this beauty and productivity we are not unmindful of our obligations as a sister nation of the Commonwealth to which we are intensely proud to belong. Our two million people are 90% descended from pure British stock and when the call to arms came the response was immediate. In the first great war out of a total male population between the ages of 20 and 46 of 250,000 no less than 117,000 served with the armed forces overseas, suffered 60,000 casualties of whom 17,000 were killed in action.

In the last Great War out of the entire male population between the ages of 18 and 45 no less than 67 out of every

100 joined the armed services, while 10,000 women served in the forces. When the menace of Japan came a Home Guard of 125,000 was formed while 150,000 joined the Emergency Precaution Service for civilian needs. We suffered in the armed services 36,000 casualties of whom 12,000 were killed.

I should not leave these few words about my country without a reference to its earliest inhabitants—the Maori. Some 100,000 of these brown skinned fellow citizens of ours dwell among us in amity and complete equality today. They take and have taken their part in peace and in war service overseas in our national life. They are a superior race which has given us some men and women distinguished in public affairs, in the church, in academic life and in every day activities.

I should like to tell you a short story, the truth of which is vouched for by a very distinguished man of earlier days, in connection with the chivalry of the old Maori warrior.

At one time after the arrival of we whites in the country, through certain differences a war broke out between the Maori people and ourselves. At one stage a considerable force of Maoris were beseiged in their fort, or "pah" as it is called by their people. After the seige had been progressing for some time without any success on our part, our people ran short of food and ammunition. The situation was ideal for the Maori to break out and raise the seige. Mark, then, the astonishment of our Commanding Officer when the Maori chief approached under a flag of truce for a parley—the parley was in these words,—The chief said—'We hear that you are out of ammunition and short of food. That would mean that the good fight would end. We have plenty of ammunition and food—let us give you half, so that the battle, which we so much enjoy, can go on".

I have mentioned to you that the Maori has given us some men distinguished in public life; of one I will tell an incident. He was a scholar a magnificent speaker, either in English or in Maori, and was the Minister for Native Affairs some years ago in the Massey Government.

I was present at a St. Andrews Night dinner, an occasion of great significance to the Scots and the descendants of Scots. To our surprise this Maori Minister, Sir Maui Pomare, arrived to represent the Government at the gathering. We were a little astonished that one who had, as far as we were aware, no Scottish blood in his veins, should be present on the occasion. However, in his delightful speech he put all doubts at rest—he said this, "You may be astonished that I, a Maori, should come here to represent the Government on this occasion, but I assure you that the blood of Scotland flows in my veins. I am certain of it beyond doubt through the records of my family, handed down from generation to generation, and I know from these records that the blood of Scotland flows in my veins because one of my immediate forebears once ate a Presbyterian minister". Of course, the process of assimilation is less drastic than apparently it was in the long ago.

But I must not weary you with overmuch talk about my country. Let me rather for a moment say, in all humility, a little about my impressions of your great land. Your size is immense, your wealth and your actual and potential natural resources beyond all calculation. Your population is seven times ours and ever growing. All these things harnessed to a vigorous and resourceful people envisage a great nation. But with all these great material assets something more is needed I believe, and that something more you and we and our Commonwealth do share. It is the ideal of the dignity of man, man not as a mere cog in a state machine, but man as an individual with the inalienable human right to use in ordered freedom his God-given attributes of mind and spirit and body. A belief in the right of man to use his gifts not as a tyrant but in a spirit leavened with a sense of justice and the rights of others so that in the end one day the ideal of the brotherhood of man may become a reality.

It is this spirit more than anything else, more than the ties of material interest, that has held the Commonwealth and Empire together through all the stresses and strains of national life and it is on the strength of this spirit and ideal that our common safety over the years ahead depands.

You here in Canada are, I believe, perhaps half of British stock. But you are enriched by the culture and civilization of ancient France and you have among you many whose ancestral ties are with other lands. But all are one in the basic ideal of ordered freedom and belief in God. And so comes from diversity an added strength marked by the proud and honourable name of Canadian.

The British Commonwealth is a family of sister nations united under the symbol of The Crown and a beloved and Honoured King and Queen. We are bound by the common ideal of ordered freedom. We have proved our faith and strength in the great wars when our blood has been mingled to save our ideals and our way of life. The trials and stresses of war have brought us ever closer together. Danger unites.

But let us so shape our national lives that when the dangers go and the darkness recedes and days of real peace come once more, let us ensure that ease and comfort do not lead us into sloth and forgetfulness. Let us keep in the forefront of our thoughts the basic ideals that united us, let us remember our past, let us meet one another and really get to know each other as members of a family and so preserve the unity that has kept us through the years and amidst all the dangers that have beset us. Let us ever be vigilant and ready if need be to show the "metal of our pasture".

And now let me end by using the words of a great British sailor, one of that long line of men who played so great a part in the story of our national lives down through the centuries. He kept the faith and the code and his name is a shining light in the long record of heroic sacrifice.

I think of Captain Robert Falcon Scott of the Royal Navy, a great Englishman whose memory we cherish in New Zealand and mark by a perfect piece of simple, lifelike statuary done by his wife and kept always floodlighted at Christchurch in New Zealand. As he lay dying of starvation with his comrades in the frozen wastes of

Antarctica with failing strength he penned these immortal words:—

"We are weak, writing is difficult, but for my own sake I do not regret this journey, which has shown that Englishmen can endure hardships, help one another and meet death with as great a fortitude as ever in the past. We took risks, we know we took them; things have come out against us and, therefore, we have no cause for complaint, but bow to the will of Providence, determined still to do our best to the last . . . Had we lived I should have had a tale to tell of the hardihood, endurance and courage of my companions, which would have stirred the heart of every Englishman. These rough notes and our dead bodies must tell the tale".

And so let that sublime message of courage and mutual helpfulness give to us of the British Commonwealth and Empire an enduring determination to help one another, to stand in unity in peace as in war and so with the sister nations of the free world move forward together, under God, to the reign of human freedom and justice among mankind.

THANKS OF THE MEETING were expressed by Mr. D. H. Gibson.

"WINNING WITHOUT WAR"

An Address by

WILSON WOODSIDE
Associate Editor, Saturday Night

Thursday, February 7th, 1952

CHAIRMAN: The President, Mr. D. H. Gibson.

MR. GIBSON: We assemble here to-day with bowed heads.

In the passing of His Majesty, King George VI, a King of unblemished character, selfless in his devotion to duty, in the brief span of fifteen years has served his people with a splendour of human heroism never excelled.

It was a rain-swept day in December 1936 that King George and his noble Scottish-born Queen ascended the Throne. It would seem that day of severe wind and fierce rains was a portent of the years of storm which beat on his Throne. Nine times was his Palace bombed in the titanic struggle of 1939 to 1945. The magnitude of these forces beating upon his Throne and his Kingdom, history will record. We ourselves do not need to wait for history to tell the story of His Majesty's high devotion, of unending sacrifice, he carved into those fifteen years.

His acceptance of the task of Kingship, his devotion to his family, and above all else, the King's strength of mind and will all through those fifteen years heightened the lustre of the British Throne, until he became for all his subjects our beloved Sovereign. We who have lived through these years with him and gained courage through the inspiration of his life, feel the call of new devotion and, if need be, greater sacrifice, in order that this symbol of the Commonwealth of Nations, the British Crown, shall become imperishable, in the midst of a world with destruction, fear and confusion abounding.

Our late Majesty, King George VI, never planned to be King nor did he seek the Sceptre or the Throne. Yet the zeal of his life and earnest solicitude for his people will shine through the ages to come.

He rose to heights never excelled in British history. Truly, his name liveth for evermore.

HER MAJESTY QUEEN ELIZABETH II

Of our beloved Queen Elizabeth II, so recently in our midst, it can be said we witnessed in all her acts the true principles governing a life already dedicated to every high and noble purpose. We listen again to her broadcast from South Africa on her twenty-first birthday when with intense earnestness of purpose, we hear her words—"I declare before you all, that my whole life shall be devoted to your service and the service of our great Imperial family, to which we all belong".

In earlier times in British history, the perils were great to them, but to come to the Kingdom in such a time as this calls for the guidance of the God of all grace. Days of heavy strain are imposed by events which call for fortitude and noblest courage by every British subject, and most of all for our beloved Queen Elizabeth II. We thank God for her Consort in this hour—a truly great young man, husband and father.

We seem at times to be moving into what in some year may be termed the "inevitable hour". Issues hang in the balance as regards the form of life we treasure. Our Queen Elizabeth II, with fragrant memories of her presence, with shining integrity of character, strong intellect and with all her personality, inspires devotion of the highest form from all her subjects. How conscious we are that duty will never be obscured, as she ascends the Throne.

At times from 1939 to 1945 some feared the world, as we knew it, was slipping away. As in those anxious days, we took our stand, with undimmed eyes seeing from afar the unfurled flag above Buckingham Palace, believing Divine Providence would accept our sacrifice and toil for humanity's freedom.

We in this hour remembering our lineage—they who in their day journeyed long and upward amid trials and sacrifice. With great purpose we commit ourselves to stand as one people, devoted to the uttermost to one common purpose of upholding throughout her reign—we hope and pray a long reign—our beloved Queen Elizabeth II.

Coming to our distinguished Speaker and Guest, Mr. Willson Woodside, it is enough to say that this will be his eighth occasion on which he has addressed the Empire Club. He is so widely known beyond our city, that if he goes to the Coast and down to the East, he is among the inner circle of those whose voice and opinion is held in very high esteem. It is a great pleasure to have with us, our friend, Mr. Willson Woodside.

MR. WOODSIDE: Mr. President, Distinguished Guests, and Gentlemen: I found it very difficult to prepare this speech. There was the sad event of yesterday which weighed heavily on us all. But there was also a certain diffidence about coming once again to the Empire Club, for I would think the 11th or 12th time.

For some reason, I always feel I have to prepare a special speech for the Empire Club. And I find myself this winter without quite the sense of urgency it has been my lot to express to you so many times, ever since 1934, when I first spoke to the Club on the rise of Hitler.

I may be completely wrong in it. Ther is a most difficult and puzzling situation in the Orient, in East Asia, and a great danger still hangs over Europe and all the world. However, rightly or wrongly, I have the feeling that the tide turned in Europe in 1948, with the defection of Tito, our stand in Berlin, and the organization of the Atlantic Pact.

The tide turned in Asia, I believe, in 1950 and 1951, with our stand in Korea and with the recovery of Japan to provide some of the missing counter-weight to Russia.

When the American rearmament—there has been rearmament of course in all the Western countries but we must admit that American re-armament has been by far the major factor—brought on by Korea, and the appointment of General Eisenhower began to put some steam in the boiler, an entirely different situation was created for the Soviets. They now face a Grand Coalition, already formed and organized, and building and distributing arms among its members. They face, as neither the Kaiser nor Hitler did, a line-up which includes the greatest industrial and maritime power on earth, and potentially the greatest military power, the United States.

I just don't believe it is in the Soviet plans to issue a flat challenge of war to such a combination. We have seen their game—in surely one of the most costly lessons in history—a game which I described step by step from 1943 on, in the most unpopular speeches I ever made.

It is a cautious game: Stalin's caution is not the least important factor in contemporary history. He may well believe in his method, since it has increased the number of those blessed by his rule from 175 millions to over 800 millions, within a few years. 1951, let it be marked, was the first year since the war in which Stalin failed to extend his rule over new millions—or indeed push the frontiers of the Soviet Empire forward by a single inch.

This is no good reason for relaxing our efforts, since we all know perfectly well that it was only by great effort and the shedding of much blood that we have halted Stalin. But there is reason for satisfaction, for encouragement; the great power of the West is being converted into actual military power, and a great political reorganization of the West is being carried through at the same time.

General Eisenhower now has ready, at the end of his first year about 25 divisions.

According to the present time-table about 60 divisions are to be ready by 1954, including 44 in the new European Army.

Ready for what? That is what I have come here to talk about. When you set a "deadline" like this—1954—the idea it conveys is that something is going to happen then. The Soviets are saying, in press and propaganda, that this is the "deadline" for our attack on them. Obviously, if they believed that, they would attack us before 1954—they would attack *now*, when according to the Alsops in last Sunday's *Herald-Tribune*, the Soviets are out-producing us 7 to 1 in jet aircraft; *now*, when the new U.S. tanks are full of "bugs", and production is limping, *now* before the European army is organized and German power restored.

But do the Soviets, for all their innate Russian suspicion, which we should not underestimate, really believe this? They have another line, which they have been pounding hard in recent days.

They have given great publicity to ex-President Hoover's speech of a week or so ago, calling for the bringing home of American troops from Europe and Asia and the cutting of military expenses.

According to the Soviet press, Hoover is still a "war monger" but his speech, they say, shows that a large part of the American people is demanding a change of policy.

It looks as if the Soviets are dreaming dreams of a Taft victory, with perhaps Hoover as Secretary of State, ready to make a "deal", leaving America a "fortress" of the Western Hemisphere, and leaving the Soviets a free hand in Europe, Asia and Africa. That is what the Soviets would like, that sort of a deal! Nothing better!

But of course it won't come to that. Mr. Hoover—and I respect him personally—I remember very well hearing his speech in this hotel—Mr. Hoover is only saying again, not only what he said a year ago, but what he said in 1940 and in 1917. Mr. Hoover remains one of the relatively few Americans who is consistent isolationist—one of the few Americans who have never changed their views. The change in world outlook which has come over most of Mr. Hoover's compatriots in the last ten years and which has produced such things as the Truman Doctrine, the Marshall Plan—one of the most enlightened strokes of policy in history—and the Atlantic Pact—this change is one of the most astounding in our changing times. It continually astonishes me. Even Mr.

Taft sometimes seems to have moved a little. Kefauver, who I think could beat him, is the Senate Leader of the Atlantic Union movement, of which I am strongly in favor. And Eisenhower, who I believe could beat anybody, is trying to federate Europe.

That is how far the Americans have moved.

No, 1954 won't be the deadline for the U.S. to pull out of Europe, or for the Atlantic Coalition to attack the Soviet Union. It is just the deadline for being ready.

But once we are ready, what do we do? Is it suggested that we just sit on our bayonets, and sleep with our atom bombs under the pillow for years?

That is impossible, that a people as impatient as the people of this Continent should allow these costly armaments to rust away and face the possibility of making the whole effort over again some years hence. No, indeed not! Besides, nothing stands still. The world balance is changing right now, it has been changing for the last year or two, just because we are holding in Asia, rearming mightily in America, and building the Eisenhower Army in Europe. The balance will continue to shift as Western rearmament is achieved.

But have we a policy to utilize this shift in the balance of power, to secure our political aims? Have we clear political aims to justify our great effort in rearmament? What do we want besides making ourselves "safe" for the moment? We will have to be a lot clearer about our political aims than we were in 1943-45, when we signally failed to use our great military strength to achieve desirable political ends.

As to one way of using our military power—by making a "preventive war", is there really any possibility that the United States would, or could, lead us into this, come 1954 or '55, as some fear? The U.S. constitution effectively prevents the military from launching such surprise onslaught. National garrulity would make it impossible to strike in secrecy; and the United States would risk finding itself the next day without allies.

I think that the Senate Investigation into the MacArthur Affair should have disposed of the fellowtravellers' legend that the Americans are hysterical, about to run amok on a world scale, and drag us all down to ruin. All of the U.S. Chiefs of Staff opposed widening the war in the East, in those investigations, and the fact is—contrary to the propaganda—that the United States Government has shown great consideration for the desire and wishes of its Allies in the United Nations' Campaign in Korea.

Preventive or undeclared war is something that a secretive dictatorship can launch—as the Soviets fell on Finland in 1939; a talkative democracy cannot do it.

Well, what should our policy toward the Soviets be? *I think it should be to press them back out of Europe, by agreement after agreement.*

As our military power, political unity and prosperity grow, the balance shifts steadily in Europe. We should make use of this to press an active but not aggressive political policy. Let us see what is needed to end the tension of the cold war.

Surely it will not be possible to live in any comfort alongside the Soviet Union—in Stalin's lingo, to "co-exist" with it—until the Red Army has been with-drawn from Eastern Europe, behind its own border, and until China has been pried away from the domination of the Kremlin, or her position in Asia balanced by some non-Communist power, Japanese if not Indian.

There is no certainty that this can be done without war. It certainly can't be done without pressure; and there is always the danger that pressure may unleash war.

That danger was faced and recognized in the talk about how to get the war over in Korea. There is a great object lesson for us in Korea, in the use of pressure—cruder forms of it than I am proposing for Europe, it is true. It was only when our ground power became really impressive—after General Ridgway took over—and it was only when the MacArthur controversy stirred up a lot of talk of bombing Manchuria to get the war over with, that Moscow and Peking suddenly became willing to talk truce.

Then they stalled on the talks, building up their own power, taking every advantage of the time gained, until the Americans, casting about in extreme exasperation and puzzlement for some way of ending the Korean affair, began to talk up very widely the threat of bombing the mainland cities and ports of China and imposing a naval blockade. Suddenly the enemy has become anxious to push on with the truce talks.

This illustrates a basic principle in dealing with the Communist enemy. We won't get anywhere at all without convincing, unpleasant pressure. The situation in Europe is different, of course, where a shooting war is not going on. Different kinds of pressure must be used to get the Soviets to take the Red Army back home.

The first of these pressures is the basic one of the change in balance of power, as we build up the European Army and the Atlantic Treaty forces, and as Germany more fully recovers her strength. (The real postwar struggle has been for the control of Germany, Japan and China, and we have won two out of three, and the Soviets have suffered a great defeat in securing control of Germany and Japan.)

As the balance of power shifts, we begin to insist on an Austrian Treaty. There are only a few paragraphs to finish in it. The Soviets have carefully put themselves into a position where they could conclude such a treaty without apparent loss of face. We could help them to the decision by working on the Soviet troops in Austria.

If we could only for a moment stop thinking of these troops as the symbol of Soviet strength, ready to pounce on Western Europe, and see them as the weakest element in the whole Soviet system, the element that is exposed to the outside influences so carefully screened from the people at home! These troops are hostages given by Stalin to his imperialist policy. There have been many thousands of desertions from these troops in spite of the puny propaganda effort we have directed at them and the difficulties they face in coming over to us.

We could greatly intensify our own effort and also support the propaganda of Russian emigré groups, ex-

Red Army groups, and Soviet minority elements struggling in Europe to develop a political underground against Stalin. We could promise a safe refuge, a job and if desired, emigration overseas for all who leave the Red Army in Austria and Germany. We could pose Stalin the choice of leaving his occupation troops on the spot long enough to become thoroughly "contaminated", or changing them more and more often, and so exposing young and impressionable troops to the influence of Western Europe and the outside world, and having these ideas carried back into the U.S.S.R.

I think we could make Stalin willing to conclude an Austrian Treaty.

The conclusion of an Austrian Treaty will mean that the Soviets no longer have the right to maintain troops in Hungary and Romania. They signed treaties with us to this effect, during and after the war. As our strength grows, we will be in a better position to press them to keep these agreements.

Then we start to press for the conclusion of a German Peace Treaty. If our military strength is growing, our plans, for political unity going ahead, and Western Europe is pulling harder and harder on Eastern Europe—Western Germany pulling on Eastern Germany—and if we work on the Red Army of Occupation in Germany, I think the time would come when the Soviets will be ready to conclude a German Treaty acceptable to us.

Once they accept this, they are committed by Potsdam to withdrawing their army from Poland. So we start insisting on that. The day would come when the Soviets would accede to that.

Now consider the effect on the Satellites. Our power is already building up in Germany. There is a far different pressure on Czechoslovakia today than when the Communist coup was carried out in 1948. *As Soviet power on the East is balanced and then over-balanced by our power on the West, the political balance will shift inside Czechoslovakia.* The Communists will become more cautious and run to cover, while the democrats will become bolder, until the day of the Czechoslovakian turnover comes.

I am assuming here that we will continue, and will step up our broadcasts to the Czechs and Slovaks from Radio Free Europe in Munich—where the Czech Service is directed by my good friend Ferdinand Peroutka—and that we will encourage and help Czechoslovak refugees to organize for the liberation of their country.

This sort of thing could be duplicated, I believe, in Hungary, Romania, Bulgaria and Poland, in their turn.

And Albania! It is easy to forget tiny Albania. What consequence could it be in the war between two worlds? But a book which I came across only by accident a few months ago, had in it the most plausible argument I have seen in a long time. Albania is isolated from the Soviet border; Albania is made to order for a Western effort to roll back Soviet power. I think it invited a specially bold liberation campaign, and that if we cannot liberate Albania, we cannot liberate Central and Eastern Europe.

Once the Red Army is home and the Soviets are back behind their 1945 border, we have a new decision to make. Do we try to make a settlement with the Soviets, undertaking not to molest them within their borders if they give up supporting Communist activity outside their borders? and such an agreement, of course, would not be worth a rap unless we had the power and the will to make them keep it.

Or do we accept that there cannot be any real settlement, any real security, so long as their border is sealed to all passage of information, trade or persons, so long as a brutal dictatorial regime is left in control of a vast empire covering one-sixth of the earth?

Do we have to commit ourselves to the overthrow of the Soviet regime? Do we have to commit ourselves to the break-up of the Soviet-Russian Empire? Either or both of these aims carries a far greater risk of all-out war than anything dealt with so far.

To declare the first—the overthrow of the Soviet regime—might encourage anti-Communists in the U.S.S.R. and all over the world, but it would certainly rouse the instincts of self-preservation of the Soviet regime as nothing else would.

To declare the second—the break-up of the Soviet-Russian Empire—would hearten all the minorities of the U.S.S.R. and give us political allies among the Ukrainians, Baltics, White Russians, the Georgians (who had their own republic and were represented in the League of Nations after the First World War), the Azerbaijani, the Uzbeks and the Turkomen. But it might line up the Great Russians, over half the U.S.S.R. population, in defence of the integrity of the Soviet Union, the Russian Empire, their country by whatever name.

This is a very grave decision which we will have to make some day. But no matter what we decide to do, it would be foolhardy to declare it now. Nothing could be better calculated to urge the Soviets to attack us now than to declare that we are out to destroy them.

As I see the policy we need, it is to use an *implied* threat of support for the Soviet minorities through our broadcasts which go out daily over the B.B.C., the Voice of America, and the Voice of Canada to the Baltic peoples, the Georgians, the Russians themselves, the Ukrainians, as part of our pressure on the Kremlin to pull out of Europe. If we can win this much without war, I think we will have won the decisive contest—if at the same time we have checked Communist China.

For a Soviet retreat from East Europe, however they presented it in their propaganda at home and abroad, would mean a great loss of prestige to the regime. It would be bound to encourage the Baltic peoples, White Russians and Ukrainians if the neighboring Poles, Czechs, Hungarians and Romanians were to be freed. There would be increased nationalist agitation, which would bring increased suppression. Trouble might spread through all the minorities—and who knows what might happen? I know that some people think all this could take a very long time—but surely this is the age when everything happens in faster and faster tempo—For example, only look at the so-called "unchanging East", Look at what is happening, at what is driving ahead in India and China.

My general idea is that (1) we must have a settlement with Russia that we can live with; (2), that we will have to develop shrewd and strong pressures to get such a settlement; and (3) that while we must maintain as our policy the freedom and self-determination of all peoples, we must be careful not to throw the Great Russian people into Stalin's arms by an all-out commitment to the minorities to break up the present Russian Empire.

It may break up of itself, if the power at the centre is weakened. It may be that there will be sufficient political genius and conciliation among the peoples of Russia to produce a federation. In any case, we may be sure that *we* can't build the kind of Russia the Russians and the others would like. We can help, however, and a good way to begin would be to stop speaking of "The Russians" as our enemies.

If the events in Germany and Japan mean anything to us, they ought to cry out that we can make a large part of the peoples of Russia our allies, and if we can do that and force Stalin to believe it, there won't be a World War III.

Thank you.

THANKS OF THE MEETING were expressed by Dr. C. C. Goldring.

"THE ROLE OF THE LAND FORCES IN MODERN WARFARE"

An Address by

LIEUTENANT GENERAL GUY G. SIMONDS,
C.B., C.B.E., D.S.O., C.D.
Chief of the General Staff, Canadian Army

Thursday, February 14th, 1952

CHAIRMAN: The President, Mr. D. H. Gibson.

MR. GIBSON: Our speaker will be introduced by the General Officer Commanding Central Command, Major-General H. D. Graham.

MAJOR-GENERAL GRAHAM: Mr. Chairman and Gentlemen: I am quite sure that to a great many people in this room an introduction to General Simonds is quite unnecessary, but for the benefit of others who perhaps are not acquainted with his career, I will just give a thumbnail sketch.

The speaker was born in the United Kingdom, but received his education at two well-known Canadian schools, Ashbury College in Ottawa and the Royal Military College in Kingston. Upon graduation from the Royal Military College he was immediately commissioned in the Canadian Army and posted to the Royal Canadian Artillery.

From the very beginning he exhibited intense interest and displayed great talent in his chosen profession. In the 30's he graduated from the British Army Staff College with an outstanding record. In 1939 he was an instructor in tactics at the Royal Military College, and upon mobilization of the army, he was posted to the staff of the 1st Canadian Infantry Division and went overseas with that formation in 1939.

His experience as a commander, staff officer and a teacher during and since the war has been unique. As a Lieutenant-Colonel in England in 1940 he organized and conducted the first Canadian Army Staff Course; he commanded a regiment of field artillery and later was promoted to the rank of Brigadier, and commanded the 1st Canadian Infantry Brigade; Still later he commanded the 1st Canadian Infantry Division in the assault upon Sicily and Italy. Then he took command of the 5th Armoured Division during part of the Italian campaign. Early in 1944 he was promoted to the rank of Lieutenant-General to command the 2nd Canadian Corps in the invasion of Northwest Europe, and he continued in that command until the end of the war, except (and this is perhaps not known to many Canadian citizens) that for some weeks he was in command of the whole army during the illness of the Army Commander. He served for a short time in North Africa under Field Marshal Montgomery in the 8th Army.

During these years, in addition to holding these many and varied commands, he held staff appointments on the divisional, corps and army levels.

Since the war General Simonds served for a period as Chief Army Instructor at the Imperial Defence College in London and later was head of the Canadian National Defence College at Kingston. About a year ago he was appointed Chief of the General Staff, which is tantamount to Commander-in-Chief of the Canadian Army.

General Simonds has been honoured by many foreign governments and by his own Sovereign. He had been admitted a Companion of the Order of the Bath, has been appointed Commander of the Order of the British Empire, and a member of the Distinguished Service Order, and he holds the Canadian Forces decoration.

All ranks in the Canadian Army are proud to have him as their Chief and I am sure the Canadian people are fortunate indeed in having at the head of their ground forces at this critical time, a man of such vigour, proven ability and wide experience, a student, a scholar and a great soldier.

Gentlemen, I present to you Lieutenant-General Guy G. Simonds, Chief of the General Staff.

LIEUT-GENERAL SIMONDS: Since I had the pleasure of receiving the invitation to be your guest here today, we have all been shocked by the death of our late Sovereign and Commander-in-Chief, His Majesty, King George VI.

It has been a matter of deep and sincere pride for those of us serving in the Canadian Army that we have been privileged to wear the King's coat and we will continue to give the same sincere and unswerving loyalty to Her Majesty Queen Elizabeth II.

I have only recently returned from a trip to Korea, and I would like to begin by saying a few words about what I saw in our Brigade there. I visited every unit of the Brigade and every establishment which we have serving with the Brigade on the lines of communication. Contrary to reports which occasionally you read in the press, I had never seen a formation in which the morale was higher, and I can say to you in absolute sincerity that there is no formation serving in the Korean theatre that is better equipped and has higher morale than our own 25th Brigade. And the thing that annoys them most, and the one thing about which I heard criticisms and protests is the circulation at home of reports that their morale is low, and that they are not conducting themselves in a manner creditable to Canada. The fine record established by the 25th Canadian Infantry Brigade is a great tribute to its officers and men and the leadership of Brigadier Rockingham, and I am satisfied that it is maintaining the best traditions established by the Canadian Army during two world wars.

I would like to say a word too about our 27th Canadian Brigade in Europe. It has not yet attained the high state of operational efficiency equal to that of the 25th Brigade. The units were raised later, and they have not had the same opportunities for all types of field training, but they are a first class formation, and I am satisfied that by the time they have finished their program of exercises in the coming spring, they too will be a Canadian formation as battle worthy as any.

I would like to add one other word in connection with the 27th Brigade. When we raised that formation I was very strongly of the opinion that if we continue the expansion of the Army, without calling upon units of the Reserve Force, it would be a severe blow to their morale. They have always regarded themselves as the basis upon which the expansion of the Canadian Army would take place, and, though I knew we were going to be faced with the difficult problem of selecting the units which were to be represented, I felt strongly that units which had established outstanding records in two World Wars should be represented in any further expansion of the Army. I called on the Defence Associations for their advice. I notice some units have been disappointed that their regimental names were not included in the 27th Brigade, but I think that the other alternative of continuing to expand the Army whilst ignoring the record of the Reserve Force would have had a far more depressing and demoralizing effect.

Now in addition to these two formations serving abroad, I have been able to create two replacement brigades in Canada to provide the necessary reinforcements. Faced, as we may be, by a long period of cold war, I think it is essential that right at the beginning we should have made provision for the rotation of officers and men serving overseas. It has made a tremendous difference—the announcement of the rotation for Korea gave a tremendous fillip to the troops there. Having regard to the conditions in Korea, we consider that a man is due to be brought home after a year there, and I hope many will continue their service in the Army after they come home.

The same applies to our European Force. We have made provision also for the rotation of our European Force.

Now with this expansion of the Army Forces in being, I know there is a feeling in some quarters that that has made the role of the Reserve Army less important, and it is my principal purpose in speaking to you today, to emphasize to you most strongly that such is not the case.

We—I speak now of all the Western Allies in the two World Wars—have allowed an aggressor on two occasions to attack us unprepared, and took the risk of being unable to repulse these attacks because of insufficient forces. We have banded together collectively to prevent the same thing occurring again. Whether we shall succeed in discouraging aggression is in the lap of the gods, because the actual decision does not rest with us. It rests with others. The Western Democracies are certainly not going to be aggressors in war, and the decision as to whether or not the risk of provoking a third World War is acceptable rests with the Communist powers. The best we can do is to try to make it clear that the risk is not going to be worthwhile.

Before I say something further on the problem of the balance we have tried to create to produce that desirable situation, I would like—taking the example of the present situation in Korea—to say a few words on the interdependence of the three Services. Unfortunately there are always extremists and enthusiasts who will say that only one Service matters and the others are quite unimportant. In mobile war the three Services are interdependent, and it is not the part of any one to gain a decision without the complete and absolute co-operation of the other two. You could not have that better illustrated than by the situation which exists in Korea at the present moment. If there is a geographic spot, a theatre, in the world which would offer the possibility of gaining a decision by air power alone, that theatre is the Korean Peninsula. Communications are few. The main communications, rail and road, are close to the Coast. We have complete and undisputed command of the sea, and practically undisputed command of the air. Command of the air in the northern area—the area commonly referred to as "MIG Alley"—is being contested, but over the forward areas and in the south we still have practically undisputed command of the air. When the cease fire discussions led to a diminution of the land operations along the zone of contact, the Air Forces were directed in the main to try to destroy the Communist communications and segregate the forward area from its bases and lines of communication behind. The lessening of close support for operations on the ground meant that a higher proportion of the air effort could be devoted to the above task.

In spite of the effort which started many months ago, the Air Commanders on the spot will be the first to tell you that they have not prevented the Communist land forces from very substantially increasing their capability and potential during this period of cease fire talks.

Now if it were not for the support of air power in Korea, it is my belief we would not have held on to the Korean Peninsula at all, and I would be the first to admit it. But if the land forces were unable to hold the enemy forces along a certain line, the forward air bases, on which air support depends, would be quickly over-run, and if we lost command of the air we would probably have the Army in turn placed in a most critical position.

I would emphasize also to you the essential part which the Navy plays in maintaining the operations of the Air Forces in Korea. A single wing requires a tonnage of between 250 and 300 tons delivered daily to its air fields. Without the sea lines of communication to bring that tonnage, we could no longer sustain air operations in the Korean Peninsula today. You could not have a better example of the absolute interdependence of the three Services.

So each one of the three services, bearing its part as a member of the combined team, has contributed to bringing about a situation which has made the cease fire talks possible. Today we confront the Communists with a situation where they would really have to pay a very heavy price to try and remove us from Korea by force of arms, and I think they would even be willing to pay that price if they thought they could succeed. Whether the cease fire negotiations are going to lead to an armistice and truce remains to be seen. It depends on the intentions of the enemy, whether he is only stalling for time or whether he does want to reach some compromise arrangement. Nothing but time and patience and turning up daily to the truce discussions can eventually reveal what his real intentions are.

In the meantime we cannot afford to accept any reduction in strength which might jeopardize the possibilities of a settlement of the Korean situation by negotiation.

Now coming from the Korean theatre to the world situation at large. The critical issue upon which all else turns is the mighty effort of the Western Powers to try to eventually resolve this problem between East and West in terms of the cold war rather than allowing it to deteriorate into a shooting war. And from this I would like to emphasize to you the vital role which still is that of the Reserve Army. Now the forces which we are creating represent a minimum, and they represent no more than the crust which must be there in order to turn the aggressor from taking the chance that by a sudden coup he may be able to make such gains that we will be in a position of disadvantage from which we could never recover, and which would place him in a position from which he could eventually defeat us.

Although we never had strictly speaking a strategic concept in World War I and II, we certainly did rely on our industrial potential and manpower, and on the conviction that if there was a war, we could start raising forces, and with our big industrial machine behind us, we would have ample time to marshall our forces, and then dominate events and so be victorious. The situation is different today, because previously, in the main, the industrial plant which we depended upon was in a totally secure area with reference to the weapons that then existed. Today there is no part of the industrial plant upon which the Western world must depend, which can be regarded as completely immune from the possibility of attack by destructive weapons. If a blow was struck which, in addition to overcoming most of our forward base areas, yielded into the enemy's hands large resources of manpower, and at the same time our own industrial plant on which we were depending to carry on our war expansion was severely damaged, we might never regain the momentum necessary to carry the war to a successful conclusion.

So we must have sufficient forces in being to turn the aggressor from the risk that his first violent blow would not lead to the complete success which he must achieve.

Assuming that this temptation has been removed, there is still the temptation that if the forces in being are not capable of holding out defensively while major forces are mobilizing behind them, but could be worn down by attrition, in six or eight months they could be destroyed before the power mobilized behind them had provided a further backing to that very thin crust. If we are going to have organized armed forces that are a deterrent to war, although it may seem to be an anomaly, it is a fact our war organization must be convincing to the extent that it is quite apparent that we have the capacity to successfully wage total war. That means a certain minimum of forces in being which can gain the time needed to provide the building behind them and which are not subject to the possibility of being overwhelmed before the whole machine comes into operation.

I put that to you in this way because some are inclined to think that our Reserves are something that are only there if war comes. I would put it to you in the strongest possible sense, that they are just as much a deterrent to war as are the forces in being, and if we provide the forces in being alone and are unable to back them up, the temptation is still there for an aggressor to risk a final show-down.

I know possibly the vast bulk of this audience today are from those who are making a very considerable contribution to our Reserve forces, but still I would emphasize to you that that is a national effort of primary importance in these times and one which we cannot do without. I would appeal particularly to employers to put up with what. after all, is more or less a minor inconvenience, of supporting those representatives of firms who are prepared to give their time to Reserve Force training. Without the support of employers, if an officer or man, because he serves in the Reserve Forces is handicapped in his day-to-day job and the means by which he wins his bread, then we cannot expect to build up the Reserve Forces in the form in which they have to be, and it depends on the willing co-operation of employers in playing their part in making certain that no man who works for them suffers by virtue of the fact that he is giving service to the Reserve Army.

That is the message, Gentlemen, which I would like to leave with you today. I have been very much preoccupied in the last few months with getting the immediate forces in being and the backing for them organized and in position; and I have not had as much time as I would have liked to go around Commands and see the Reserve Army at work. I have on occasion when I have been travelling in the country made a point of going to visit the Reserve units whenever there has been an opportunity, and I hope in this coming year there may be more opportunities than I have had in the past. But I would not want you to think that the Reserve Army has not my strongest possible support, and that I do not regard it as a part of our Military and Army organization.

THANKS OF THE MEETING were expressed by Mr. H. G. Colebrook, a Past President of The Empire Club of Canada.

"AN EXILE'S VIEW OF CANADA"

An Address by

REV. DAVID A. MacLENNAN
Faculty, Yale University Divinity School

Thursday, February 21st, 1952

CHAIRMAN: The Third Vice-President, Mr. John Griffin.

MR. GRIFFIN: Our speaker will be introduced by Rev. C. A. Lawson, who succeeded Dr. MacLennan as pastor of Timothy Eaton Memorial Church in Toronto. Since Mr. Lawson followed our speaker I think we may paraphrase scripture and say this is a case where the last shall be first although both were chosen.

MR. LAWSON: It gives me great pleasure to introduce to you today the Reverend David A. MacLennan. It is a commonplace occurence for one to introduce his successor but it is a rare and unique experience for one to introduce his predecessor. In that position I find myself today, for Dr. MacLennan was for 13 years the distinguished and beloved minister of Timothy Eaton Memorial Church in this city, the church in which I now have the privilege of serving. It is a humbling experience to follow such an eminent preacher as he. Three years ago Dr. MacLennan was called to be the Professor of Preaching and Pastoral Care at Yale Divinity School, New Haven, Connecticut, a position which he now fills with great distinction. Dr. MacLennan is recognized as one of the leading preachers and lecturers in North America and it gives me great pleasure to introduce, my predecessor, the Reverend David A. MacLennan.

MR. MacLENNAN: Mr. President, members of The Empire Club of Canada, friends: when a Customs' official asked me the routine question, "Have you anything to declare?" I had a moment when I wondered if he knew the reason for my visit to Toronto and was solicitous for you. I had one article to declare, an article of faith in Canada and in the British Commonwealth of Nations.

One of my colleagues who knew the reason for my visit to Toronto made a not unexpected comment. "I suppose you will wave the flag". "Which flag?" I countered. "Both flags I would think," said he. It is a good and worthy exercise, although I am not an ambidextrous person. Listeners to some of my sermons have suspected that I can be ambiguous.

Shamelessly, Mr. President, I propose to wave the flag of Canada, not in any flamboyant, jingoistic manner, but with the enthusiasm of a returning exile. Two and a half years have passed since I moved from this fair and dynamic community to the haven of the Whiffenpoofs and "the place where Louie dwells." In two previous periods I had lived sixteen years in the republic. Two thirds of my life thus far have been spent in the Dominion, I beg pardon for this intentional error!—in this blessed realm of Canada. Hence I feel qualified to submit certain views which have become clarified from my observation post on a New England hilltop. Unkind critics of my present place of residence insinuate that my habitat is in an ivory tower, and an ivy-covered tower at that; hence my visibility must be limited. Certainly I may not evoke the response expected of those who contribute articles to a well-known and universally popular magazine. One of the editors of this "little wonder" in the publishing field was asked if he and his associates had standards to which an author must conform if he hoped to have his writing accepted. "Yes," he said, "any article we publish must make the readers say one of three things: 'Oh, the beauty of it!' or 'Oh, the pity of it!' or, 'Oh!' "

Perspective on Canada gained from residence and work in both countries leads to one conviction: *a singularly bright future belongs to Canada.* To realistic patriots, as to some cynics, this is about as original a prophecy as to say unctuously that, saving a cosmic catastrophe, the sun will rise tomorrow. Yet even so, such a conviction bears reiteration, if only to induce more citizens to have a share in making it come true.

What are the reasons for this confidence?

(1) One is the obvious provision of abundant natural resources. This is part of the "given" in the common life. When nearly fifty years ago Sir Wilfrid Laurier asserted that the twentieth century would be Canada's it was a prophecy based on hope more than upon factual evidence. Today however, as D. M. LeBourdais has pointed out, such an assertion may be made on the strength of two factors alone: oil and iron ore. (See *Canada's Century,* published by the Methuen Co., Toronto, 1951). Within the past few years the iron-ore deposits surveyed in Ungava cover an area larger than the state of Connecticut in which I live. When to these are added Canada's gold, silver, copper, nickel, and other minerals including uranium; Canada's timber, water-power, wheat—is there any wonder that you are the envy of informed men everywhere? Mr. Churchill's superlative tribute in Ottawa last month is more than the rhetorical flight of a superb master of the arts of speech and diplomacy: "Upon the whole surface of the globe, there is no more spacious and splendid domain than Canada open to the activity and genius of free men." Such unequalled treasures in and beneath the Precambrian rocks, prairies, lakes and woodlands, judiciously developed and marketed make Canada's economic and industrial future unlimited. Already productivity has reached such proportions that among the world's free nations Canada's place is only second to that of Britain and the United States. Who that knows the facts can "sell Canada short" on this score? Indeed, the incurable moralist ever present in a man of my ancestry and profession rises to suggest that the chief danger arising from possession of such resources consists of spiritual pride.

Canadians are particularly vulnerable because of their proximity to an enthusiastic people not noted for their reticence concerning their own capacity and achievements! In the records of the Connecticut town of Milford, for the year 1640, may be seen a copy of a delightful resolution passed by the town fathers of that colonial era:

"Resolved, that the earth is the Lord's and the fulness thereof;

"Resolved, secondly, that the Lord intends the earth for his saints;

"Resolved, thirdly, that we are the saints!"

Seriously, the vast resources and astonishing industrial development here will cause more of Canada's trained young men and women to reject alluring offices to work in the U.S.

(2) A second reason for confidence in the present and future progress of Canada relates to the political health of the nation. I would tread warily here; no one living in another place has the right to mix in the politics of even his former homeland. The political health of this nation derives from more than one party's programme; in a real sense it issues from bipartisan devotion to the best interests of the total community. It is the result of responsible citizenship on the part of members of all regional, racial, party groups. The sagacity of political leadership transcending all parties seems to be a blend of enlightened conservatism and sensible adventurousness. In a relatively short space of time Canada has resisted colonialism on one hand and absorption by the United States on the other. Certainly the record of the last dozen years supports the view that here ordered freedom has a local habitation and a name. Where else on this feverish planet do we find a better example of two major racial and religious groups living in such harmony as the French-speaking and English-speaking Canadians do? What other nation in the same length of time has made a fifty-per cent advance in the standard of living? Until recently it has been well-nigh impossible to convince an American that his Canadian neighbor enjoys a higher average income than he. Within a few weeks of freedom from

controls, Canadian money became the world's most desirable currency. There was a kind of rough justice in the swift elevation of the Canadian dollar. The only complaint I have heard is that it rose beyond the power of many to get hold of it in sufficient quantity.

Finances in "splendid solvency" are important. Stability and progress, however, must be explained by other factors. Let me remind you of one of these powerful factors. *It is your unique status as a completely independent member of the British family of nations.* Canada gladly acknowledges one supreme political loyalty only, allegiance to that "profound symbol of statehood, which transcends diversity within the nation and national divisions within the Commonwealth"—the Crown. Until recently, even thoughtful and educated members of your sister democracy of the United States were baffled by the stubborn way Canadians maintained linkage with the British throne. To not a few, and not all of them readers of a certain unmentionable newspaper in Chicago, the constitutional monarchy seemed an expensive anachronism. Of course, the more perceptive realized that true democracy can flourish under the kind of legitimacy the crown provides. Now, however, as I am sure all Canadians realize, the death of His late Majesty and the accession of Queen Elizabeth II have convinced ardent republicans (I use the term in its most inclusive sense) that the British monarchy is not only a source of immense political unity and strength, but an eminently desirable living symbol of stability and progress. Would anyone who knew the indifference to and ignorance of this venerable institution which prevailed outside of the Commonwealth a generation ago have dreamed that such genuine grief and affectionate respect would have been expressed? Around the earth, and most notably in the American republic, the sad and splendid events of the past month provided an extraordinary demonstration of what the editor of the New Haven daily paper called "the power of the Crown as an institution central to the British Commonwealth idea." In city and town one encountered genuine sympathy. To my wife a neighbor whose American background is rich and deep, came with the news "The king is dead! I am so sorry." The use of the article "the" is significant. In a world which T. S. Eliot describes as "this twittering world" it is profoundly reassuring to know that there is a continuing center of stability and character. Of course, a basic reason why King George VI commanded public loyalty and support that left the monarchy unchallenged in a swiftly changing Britain and world, lies in the character of the man. "He brought," said an American editor of a small city newspaper, "He brought a king's devotion to a king's duties, and the world will remember him for it." One of the finest tributes to him occurred in the leading article of last week's issue of *Time* magazine. (Feb. 18, 1952, page 29 U.S. edition).

> "King George's quiet courage, his unostentatious persistence in meeting the everyday duties of his job, personified to Britons their own stubborn refusal to be downed by adversity."

Then follows this memorable sentence: *"He made ordinariness to shine* . . . . he gave his people a standard of conduct to rally to."

(3) To speak of the political climate of the country brings us quickly to consider that which we call by the omnibus term *culture*. Canada's future would be pale indeed without the light of her men of letters, her artists and writers. It is to be hoped that more Canadians read, reflect and act on the Report of the Royal Commission on National Development in the Arts, Letters and Sciences, 1949, 1951. Reflection and subsequent constructive action on the findings of this Commission should do much to let the light shine more widely. It is a truism to say that without the light of truth and beauty shed by the arts the most privileged people cannot know true maturity or the durable satisfactions of life. After careful study of the Report a distinguished scholar, and former Canadian, Professor F. B. Brebner of Columbia University concluded that "Stern wrestling with circumstances far less favorable than those of the United States has presented serious problems and kept Canadians tough and canny." Toughness and canniness are admirable qualities

for creative work. Dr. Brebner regrets that the Report is so "ardently, persistently nationalistic," that Canadians concerned with growth into cultural nationhood are "obsessed by fear of engulfment by an imaginary monolithic American culture." Is this a survival of a once justified fear of political annexation? If it is all fears may be allayed. Despite the occasional irresponsible outburst of a Sinn Feiner representing a midwestern constituency in Congress, annexationism is as dead as a Dodo. Recalling the particular representative who so naively suggested Britain "sell" Canada to the United States and thereby wipe out any existing financial obligations, suggests a story attributed to the late William Jennings Bryan. During one of his campaigns, an elector said to him, "I wouldn't vote for you if you were St. Peter." To which the candidate retorted, "If I were St. Peter, you couldn't vote for me. You wouldn't be in my district."

Fear of annexationism in the political sense is absurd and groundless. Too many Americans take Canada for granted. Too many Canadians assume that the ill-considered opinions of a few vocal Americans represent the prevailing sentiments of the United States toward Canada. Twice in this century the great branches of the English-speaking peoples have fought side by side and have triumphed. The partnership is indeed more than military. It is a partnership of ideas, values, principles. As John Masefield said in his lines on the late John Winant:

"If yours and ours will but understand,
  Earth's future children will not live in fear
Nor deed of spirit die in deed of hand."

But do Canadians fear intellectual and moral annexation? Be not afraid. Keep alert to the peril of adopting all that flows over the channels of mass communication. T.V. may produce a race with grapefruit eyes and peanut brains! Here the best defence is offence, in the sense of increasing the flow of your own best communication. There is no Iron Curtain which can be erected against the two-way traffic of ideas, of ideals, particularly when a common language is the medium.

But is it not true, as another has said, that neither American nor Canadian culture is or is likely to be monolithic? (I have looked up that word popular among the intelligentsia: Monolithic—single block of stone; it would have to be some block to impede Canadian artists and writers!). The secret of a vigorous truly Canadian culture may lie in the motto of the French-Canadians, "Soyons nous mêmes"—"Let us be ourselves." As Canadians know themselves, and live out that knowledge with all the vigor and insights which characterize Canadians at their best, Canadian culture will flourish. Let Canadian artists and writers, philosophers and scientists, take the open field and they will not be worsted by any adversary. Canadian painters, like Lauren Harris, A. Y. Jackson, Casson; poets like E. J. Pratt, novelists like Thomas Raddall, Morley Callaghan, Hugh MacLennan, and Gabrielle Roy, are read, appreciated and considered by discerning men on both sides of the border not only worthy representatives of Canadian culture but first-rate artists by any standard.

(4) A glorious future belongs to Canada and to Canadians, not only because of the provision of all needed physical resources, not only because of her evident political maturity in representative government, not only because she willingly gives her allegiance to the Crown as a sovereign, free member of the British equivalent of the United Nations organization. Her future will be increasingly secure culturally if contemporary production and concern are true indications. She is indeed "the indispensable ally" and partner of the American Republic and of all free nations, and need never fear any kind of engulfment because her population is relatively small.

I come now to what to me and to others who know Canada reasonably well, and love what they know, is the conclusive reason. It is suggested by one of the ancient titles assumed by Her Majesty Queen Elizabeth, "defender of the faith." In acknowledging the Queen of Canada, Canadians join her in defence of the Faith. I use the term in its broad, non-sectarian, and positive meaning. Canadians without distinction of language and belief agree with the Prime Minister who said, if we cease to be Christians we are lost. Canada is a community where a vital religious culture is recognized as essential to survival and growth. Americans remark the widespread support of religious institutions and practices. One sociologist asked to comment on the way in which Canadians attend the church or synagogue of their choice said it represents "a cultural lag. "Given time", he said, "Canada would catch up to the American way in this as in other things". Whereupon I overheard an American parson whisper fervently, "Give us more of that cultural lag!" Attendance and material support of religious and philanthropic institutions are not lightly to be dismissed as insignificant. To be sure, external support may be patronage and largely a thing of custom. It is not of this aspect of Canadian life that I think, however. It is the deeply held reverence for the author and giver of life, the Lord of history; the concern for the spiritual and ethical development of children and young people; the incorporation into the so-called secular institutions of the essentials of the Judeo-Christian heritage. As far as reliable reports indicate there has been no abrogation of the ancient law that "righteousness exalteth a people." Not self-righteousness, to which as human beings in a favored position we are always tempted, but that basic unpurchasable goodness, honesty, and kindness which we believe are integral to the nature of reality.

Mr. President and gentlemen: if these things are surely believed among us, then Canadians need never pray for "a guid conceit o' theirselves". If, as I firmly believe, this is Canada's century and that a future of even greater usefulness, of health, of service to mankind lies before her, let every Canadian go forward with dignity, pride and thanksgiving that God has matched him with this hour not only to make Canada greater but to assist in the healing of the nations.

What does it mean to be a Canadian in this year of grace and of danger, of crisis and opportunity?

It means to be one who believes in the right of men and women of any creed, class, color, or ancestry to live as human beings with the dignity becoming children of God.

A Canadian is one who believes in the right to be free, free not only from crushing coercions, dictatorships and regimentation, but free for that way of life where men may think and speak as they choose and worship God as they are led to do.

A Canadian is one who believes both in the power of noble tradition, and in the duty of adventuring wisely into new ways of service within the spacious boundaries of ordered freedom.

A Canadian is one whose first loyalty, as the late Lord Tweedsmuir said, is to Canada and to Canada's Queen.

As such he is one who is a loyal member of his own national community and an active member of the community of nations united in the maintenance and extension of freedom, fraternity and just peace.

A Canadian is one who believes in democratic, responsible government for himself and for all his fellow-citizens. He is one who believes in the right of the majority and also in the rights of minorities, because the minorities are also human beings.

A Canadian is one who believes in the right and duty to vote, to work, to learn, to live, and the right to be different so long as the difference does not jeopardize the rights of others.

A Canadian acts from faith not from fear; from understanding, not prejudice; from goodwill, not hatred. To bigotry he gives no sanction; to intolerance no support.

THANKS OF THE MEETING were expressed by Canon the Rev. G. H. Dowker.

"FOUNDATIONS FOR PEACE"

An Address by

RT. REV. FERDINAND VANDRY, C.M.G.
Rector, Laval University

Thursday, February 28th, 1952

CHAIRMAN: The President, Mr. D. H. Gibson.

MR. GIBSON: Our speaker will be introduced by the Rev. G. Hingston, S. J.

FATHER HINGSTON: I shall begin by letting you in on a little secret. Only a scant hour ago the honour of presenting to you to-day's distinguished speaker was thrust upon me over the telephone, and I, with trepidation, accepted—because there was really nothing else that I could do.

I felt at the moment that I was being called to the plate (I am mixing my metaphors) to do some pinch-hitting for a batter who had unaccountedly dropped out. Yet I did not feel like the proverbial fool who "rushes in where angels fear to tread", because certainly I was not rushing in. Still, I wondered, poor blundering mortal, who that 'angel' might be who had been so fearsome about treading in the path along which I am forced to stumble? And I then and there mentally resolved that if some person is to be racked with remorse for a very imperfect performance of a task which the 'angel' in question would have performed so perfectly, the remorse should not rightly be mine but the timorous and defaulting "angel's". Now that I have just learned that the 'angel' is none other than your esteemed President, I hasten to recant unfeignedly, and I do hope that all remorse shall be spared him for whatever I may say amiss or may fail to say at all.

However, on reflection, and while still vainly arguing at the telephone, suddenly I was reassured by the thought that my task would be singularly facilitated by two unusual advantages to which I could undoubtedly lay claim. The first of these advantages or qualifications is that I do not know at all the speaker whom I must introduce . . . not having met Dr. Vandry before we formed up in procession to enter this hall. Thanks to this most useful ignorance I shall be secure from the possibility of wearying you by recounting the biography of our learned lecturer from babyhood until the present day . . . I have not any doubt that there was born in Rivière du Loup, Que., a very wonderful baby boy, very cute, with the pinkiest of toes . . . and I am fully prepared to believe that even as the babe lay in the cradle there were undeniable omens of future greatness. But of those wonderful things, I, secured by my protective ignorance, shall omit all mention. I shall merely refer you to our common source of information, your own invitation card in which you may read a necessarily succinct, yet most suggestive, summary of achievement and an impressive list of academic degrees; so that Monsignor Vandry appears before us bearing the marks of many honours won in the field of education, which he wears with the modesty of the gallant soldier whose breast is ablaze with decorations row upon row, won in another field.

And I can rejoice in a second and possibly a still more precious advantage: that of being totally ignorant of the manner in which the lecturer intends to treat his subject. Thus I shall be spared the temptation, and you the annoyance, and our lecturer the embarrassment that comes when the person called upon to give the introduction forgets that his very modest role is merely to introduce, and yields to the facile allurement of trespassing into the lecturer's field, of wandering ahead and assuring the audience in advance that surely the lecturer will tell them this and doubtless he will tell them that . . . thus uncorking the champagne before it is to be served and letting it go flat; or, to vary the simile, going afield with his own little sickle, he cuts off the choicest heads of grain: with the result that afterwards the lecturer finds himself coming into his own appointed field almost as a gleaner. Happily for you I have not been subjected to that other common temptation, my splendid ignorance shielding me.

And, therefore, not through any merit of my own, but solely by benefit of blissful ignorance, I have passed successfully both those insidious pitfalls in the path, and have arrived at the point where I present to you a very distinguished lecturer most admirably qualified, by his background, by study and reflection, to speak to us upon a world situation that presently faces us; a situation which, I say in all seriousness, may perhaps prove to be the most critical, the most alarming and the most momentous that has confronted any generation in the long history of the human race.

Gentlemen, I introduce to you Right Reverend Monsignor Ferdinand Vandry, C.M.G., D.D., LL.D., etc., distinguished principal of Canada's oldest institution of learning.

MSGR. VANDRY: This side of the iron curtain, it is usual to say that if the modern world is to be saved, the democracies will save it. But less frequently do we hear that the democracies, to save the world, have to realize fully the concept of true democracy. There are good democracies, but others are less good. It is not the bad democracies that will save the world, but the good ones. That it is the reason why it is of primary importance for the democratic countries to place at the base of their political life such principles as completely conform to the requirements of the democratic ideal. The definition of democracy must not vary with the whims of the mind or the vicissitudes of history. It must agree with the objectiveness of the principles of human reason, with the rights of the human person, with the clear vision of social order. We, Canadians, have the privilege of belonging to a great democracy which proudly shares in the political wisdom of English democracy. We are called upon to play a very important role in the life of democratic nations, and since we claim the formidable honor of contributing our share to the work of social restoration actually going on, it is essential for Canada to be a true example of the highest form of democracy, inspired by the loftiest concept of right, of liberty, of justice, and of social order. Gentlemen, that means that Canada has to be a Christian democracy, a nation whose political life must fully conform to the requirements of a sound philosophy enlightened by faith and by the teaching of Christ.

Gentlemen, you love your country as dearly as I do. You are ambitious for Canada to be more and more an object of admiration to the world, not simply on account of her economic wealth, her prosperity and her future of great promise, but above all for the wisdom of her constitution, the moral quality of her legislation, the social value of her institutions, the guarantees offered to the liberty and dignity of the human being. It has been said that democracy is the best form of government, that which, in practice, corresponds most to the necessities of our times. I willingly consent to put up with such an affirmation. But, gentlemen, do we really agree on the notion of democracy? Is it quite sure that Canada possesses all the qualifications of a sound democracy? Is there nothing to correct, nothing to improve in our mode of living in a democracy? To consider democracy as the best form of government, even to-day, I would require certain imperative conditions.

I—An accurate notion of right

First of all, at the base of a sound democracy must be found an accurate notion of right. Behind the iron curtain such a notion is unknown. That explains why human rights are so freely dispensed with. No one concerns himself about respecting them, far less about protecting them. The man who lives behind the iron curtain is not a human being, he is but a number, he has no rights. The State alone has rights. Right is what appears expedient, of public utility; it depends on the passing whims of the leaders of the moment, it is every thing which fosters the communistic ambition of spreading communism throughout the world.

If we care for the dignity of the human being, it is most important for every one to know, in all ranks of the community, in the popular masses as well as in the deliberating assemblies where laws are enacted, that right is a requirement of sane reason, of order and of justice; it is, so to speak, the thought of God, becoming identified with the essential characteristics of the human person. Man bears his rights in his soul as physical nature has in itself the strict exigencies of the order in which it was created. The fundamental rights of a human being are not man-made; they are the work of God, and the human legislator must submit to them. They constitute what we are agreed to call natural law, because right comes from law. Natural law is so called because it is inherent to the nature of a rational creature. Human reason may easily discover it by its own efforts, in the study of the human being and in the rational knowledge of God. Nothing of this natural law can be altered; man must submit to it. The right you have to live and to choose your own way of living is a natural right, coming from natural law. Hence, it comes from God. Nobody can deny such a right. However, to this natural law, man has to add positive laws, which derive from the free will of the human legislator. But this positive law must necessarily conform to the natural law under penalty of being opposed to the design of God. Hence the corner stone of right is to be found in God. We are not free to conceive the order of created things otherwise than God conceived it. We have to adapt our thought to that of God. Therefore in right there is something intangible, unchanging, which the free determination of man is not allowed to alter. But in right there is also something contingent, perfectible, which will change with the divers modalities of social life: this is positive right. It is the explanation, the extension of natural law, its practical application to the facts, and thus is subject to the transformations undergone by society and the new needs brought about by civilization. The right you have to vote in such a constituency is a positive right; it is given you by a positive law and it might be changed. You may loose such a right, for instance if you move from one constituency to another.

Positive law, proceeding from the free will of the legislator, unquestionably is endowed with a majesty which commands obedience, because such law is necessary to render the natural law more explicit and applicable to the concrete circumstances of life. However, this majesty of positive law is without appeal only when it agrees with the law established by the Creator.

Custom, in itself, does not create right. It is legitimate only in so far as it is consistent with right. It does happen that custom is the manifestation of common sense and that it speaks the language of right reason. In such a case, it becomes the manifestation of right, because it is the expression of order. Thus, according to the English law, custom establishes right and creates the guiding rule of life. This comes from the fact that the English common law is constituted by judicial decisions often notable for their very great wisdom which has become the expression of natural law. On these grounds it can be justified as constituting right, because it is convenient with right.

We now understand that, if modern democracies intend to respect the rights of God and keep in mind the dignity of the human being, they must place at the base of their social organisation and of their laws this accurate notion of right. To depart from this teaching of natural philosophy would mean that the democratic nations admit into their political life the totalitarian ideologies, under which man has no rights, because God himself looses his rights.

Saint Thomas Aquinas has been preaching this doctrine to the Christian nations since the 13th century. For three centuries this Christian philosophy of right inspired the organisation of Christian nations. Alas! since the XVI century, this Christian conception of right has undergone terrible attacks which opened the way to a rationalistic notion of right. To my mind, such false notion of right explains the emancipation of many modern democracies relative to the rights of God and the imprescriptible rights of the human person. If we wish Canada to remain a sound democracy we must, gentlemen, firmly adhere to the Christian concept of right.

II—An accurate notion of authority

Another notion of primary importance which must not be neglected in the organisation of democratic life is that of authority. The revolutions which have substituted democracy for the ancient monarchies under which old Europe lived for so long, have not succeeded, thank God, in fashioning and building human societies capable of enduring without the support of social authority. Democracy is not synonymous with anarchy. The democratic State, whether a monarchy or a republic, must be invested with the power to command with a real and effective authority. Authority is not the negation of liberty. On the contrary, it must be its guarantee and safeguard. If men, abusing their personal liberty, came to the negation of all dependency relative to a superior authority, they would trample under their feet the foundation of their own dignity and liberty.

The same as right, authority has its foundation in God. It is the teaching of Saint Paul: "Omnis auctoritas est a Deo—authority comes from God." Man is equal to man. As such he has no right to command his neighbours. He possesses such right only when he is invested with a social function whereby he is the mandatory of God. The Creator himself, who founded the human family, has willed that there be therein a social authority, the father. Civil society was not conceived otherwise.

Such is the Christian concept of civil society. Undoubtedly in a democratic regime, people are called upon to single out and to choose those who will be the depositaries of social authority, but this does not mean that the people are the source and foundation of this authority. The people chooses its leaders, but God alone may give these leaders the authority they need to govern. The right, among men, to command other men must come from

God. This results from the foundamental equality of men and the transcendency of God. How beautiful is this doctrine which invests human authority with a participation of Divine authority itself. How it heightens in the eyes of nations those who are entrusted with the power to govern.

This Christian concept of authority guarantees the maintenance of social order. On the other hand, according to the rationalistic concept of authority, the people appear as the sources of social authority, and authority as the instrument of people's will. Such a concept dechristianizes, reduces to human stature, diminishes and weakens social authority, because it strips it of its crown and removes the diadem of grandeur the Creator had placed on its head.

Furthermore, the true concept of authority must be that one which offers greater guarantees to social order and justice. The Christian concept alone offers such guarantees. Duty is correlative to right. The popular masses will consent to obey only in proportion as they will recognize in those who govern an authority which transcends human stature, a right which derives from God, especially when obedience is more trying and more distasteful to them. They will more readily recognize the majesty of human authority if they find it invested with a divine character.

This Christian concept of authority is essential to a Christian concept of civil society. We must make this concept ours if we sincerely wish Canada to be a Christian country, wherein God will have His place in the social structure of the nation.

Gentlemen, I have just told you in all sincerity how I understand certain requirements of democratic life. A sound democracy requires a sound philosophy of human rights and a Christian knowledge of authority in the mind of all those who are fit to share the heavy task of building a free nation. Passionately do I love my country, I love without any reservation all her inhabitants, regardless of their race, their language, or their creed. I would like us all to be very happy in one of the most beautiful countries of the world. Canada is a democratic country, she must remain so. And she will remain so, it is my firm conviction, which I am sure you share, providing she be a Christian democracy: I mean that our Canadian democracy must draw its inspiration from the true concept of right and authority for which human reason is indebted to Christian faith. On this condition our country will become as great as we all wish it to be and will help to save the modern world from the dissolving materialism which prepares endless wars by sapping the very foundations of social order. It is, gentlemen, my firm conviction that foundation for peace cannot be found outside of Christian democracy.

THANKS OF THE MEETING were expressed by V. Rev. L. J. Bondy, C.S.B.

"WASHINGTON THROUGH BRITISH EYES"

An Address by

HON. ALASTAIR BUCHAN
Washington Correspondent, The Observer

Thursday, March 6th, 1952

CHAIRMAN: The President, Mr. D. H. Gibson.

MR. GIBSON: Our speaker will be introduced by Mr. John Bassett, General Manager of The Telegram.

MR. BASSETT: Mr. Chairman and gentlemen: Canadians have traditionally taken unto themselves the role of interpreters between the peoples of those two great countries of Great Britain and the United States.

We pride ourselves that we know the people of the United States better than do the English and that we know the people of Great Britain better than do our American neighbours. This claim of ours may be subject to discussion but there can be no argument that the newspaper man, who is going to address us today on the subject "Washington through British eyes" is eminently qualified to interpret the delicate international interplay between Canada, Britain and the United States.

It is particularly appropriate that Mr. Buchan should be speaking as a Britisher about Washington in Canada. He was born and brought up in England, educated at Eton and Oxford. But he came to Canada in his late teens and later completed his education at the University of Virginia in the United States.

The son of a distinguished Governor General, Alastair may now be one of a vanishing breed—those adopted

Canadians of ours who earned their citizenship as children of our distinguished Governors General—but he has other claims to Canadianism for he is married to a former Ottawa girl and served for 6 years in the Canadian Armoured Corps during the war as did his gallant brother, John, who commanded our Hastings and Prince Edward regiment in Italy.

Alastair Buchan is a newspaper man and, therefore, I am more than ever delighted to introduce him to you. Formerly Assistant Editor of The Economist in London, in 1950, he joined the staff of The Observer and some of his articles have appeared in Toronto on the editorial pages of The Globe and Mail.

His older brother, John, has said publicly that while he inherited his father's title Alastair inherited his father's brains. Gentlemen it gives me great pleasure to present to you, a soldier, a journalist, and your speaker of today, The Honourable Alastair Buchan.

MR. BUCHAN: It has given me very great pleasure indeed to be asked to speak to you today. But I must confess that my qualifications are really very modest. I feel a certain sense of humility in addressing an audience which is used to hearing statesmen, and those who speak with the authority of public office or long experience. Perhaps my strongest credential is my own happiness at being back in Toronto. For me all roads lead back to Canada. The happiest years of my youth were spent in this country. My wife is a Canadian and my eldest son was born here. I had the honor to serve for six years in the Canadian Army, and I am very happy to see the faces of many of my friends of wartime days among you.

Nevertheless my sense of inadequacy persists. For although I have lived a considerable part of my life on this side of the Atlantic, both in Canada and the United States, I still think that it's somewhat rash for me to tell you what is going on in Washington. After all, you Canadians have a much greater knowledge of the American way of thinking than I have; you have felt the impact of American developments at first hand, in a way no British person however interested and sympathetic can quite feel them. Moreover, I speak with no authority whatsoever and represent no body of opinion more numerous than one.

What I would like to offer you therefore are some quite personal impressions about American policy which I hope you will accept in the wholly undogmatic—and perhaps naive—form in which they are put forward. Certainly I know that nothing is more unwise than for an Englishman to criticize the United States to Canadians.

I am a Washington newspaper correspondent. To judge from what one reads in drugstore fiction and in the columns of Mr. Drew Pearson such people lead very exciting lives, being given secret information by presidents and ambassadors, hiding under the beds of Senators, and being perpetually consulted and informed about the news behind the news. I wish I could tell you—confidentially of course—that a journalist's life in Washington was really like that, but alas it is very much less glamorous and exciting. Being a correspondent in Washington really involves an unending effort to understand and to interpret to a wider audience the complexities, the pressures, the hestitations and the decisions of the American government—a task that is based far more on a patient study of facts which are public knowledge than on inside information.

Writing as I do for a non-American audience and one which is almost entirely in the British Commonwealth, I am naturally much more concerned with American foreign policy and American attitudes toward the outside world than with any other aspect of American life. And the first thing which strikes an outsider in Washington is the absolute impossibility of separating foreign policy from domestic politics or of treating them in different compartments.

This is of course true of all democratic countries. Foreign policy must carry the support of the electorate with it just as much as domestic policy. A striking illustration of this has been recently provided by the way in which the plans for the European Army, which advanced rapidly while it was being negotiated by the officials of the different countries, nearly collapsed—and may yet do so—when it was put to the test of the French and German parliaments. The officials had far outstripped the support of their own public opinions. The same forces are at work in the heated debate now going on in British politics as to what Mr. Churchill did or did not commit Britain to in the Far East during his recent talks with President Truman.

But at least in all forms of parliamentary government such as the Canadian, British, or European, where the Ministers are also members of the legislature, the men responsible for framing and executing policy can explain and defend their policy before their fellow legislators without throwing any *strain* on the machine. And since Ministers are ministers because their party commands a majority in Parliament, it is very rarely that Parliament reverses their policy decisions.

By contrast you have the American system of government which was created to run a small, weak agricultural country in the 18th century. It was developed and interpreted by Jefferson and the country gentlemen of Virginia with the specific intention of putting as many checks on the use of authority by the central government, as an extremely able body of learned men could devise. And the letter of the Constitution has never in any important respect been changed. The House of Representatives who are the tribunes of the people, and the Senators who are the ambassadors of the various states, consider their functions as, not merely to debate and approve policy, but actually to frame it as well. The President and his cabinet of Secretaries of State, Defence, Treasury and so forth, exist to execute policy. The President even though he is elected by popular vote, is still, in the minds of most Americans, much more what the title of Chief Executive suggests than he is like a Prime Minister of a Parliamentary government. The Secretaries are his appointees and their authority derives not from any electoral mandate but from his and their personal prestige with Congress and to the people Congress is the master. Congress, that is, as a corporate body quite independent of any political line up in it. A great many of the recent quarrels between Congress and the Administration over Foreign Aid and Military policy do not result from a renewed attack of isolationism so much as a desire to reassert the authority of Congress over policy-making. And that, as far as one can see, is a political system which the American people still support; despite the enormous revolution in the power and importance of the United States that has occurred. From the days of President Wilson onwards a hundred schemes have been put forward to transform the American governmental system into something more like a parliamentary system of the British pattern. (But except with a few professors of government in the universities such ideas have never been accepted by any sizeable body of American opinion and I very much doubt if they ever will be. Canada provides the finest example of how a federal system can be combined with parliamentary and responsible government, and there is no technical reason why the American constitution should not be reorganized along Canadian lines. But I would as soon expect the head of King George III to appear on an American dime as to see that happen.)

One cannot but be struck by the immense strain which America's world responsibilities impose upon those who have to operate its government. In the first place consider the position of the President himself. Unlike a Prime Minister he is not the leading member of a team of men all equally responsible which we call the Cabinet. The American cabinet members are merely his advisers; he alone is accountable to the nation for every executive act that is taken. Every major and minor decision that is taken must flow across his desk from the reports of ambassadors to the squabbles of an Indian tribe. He must exercise the ceremonial functions as the head of the State, he must lead and advise his own political party; he has in his personal gift between four and five hundred official appointments. If out of ignorance or bad advice he picks a crook, he alone is held responsible. If he has the time and the capacity to evolve policies of his own, as likely as not he will find them turned down or refuted by Congress. UMT, Foreign Aid, St. Lawrence Seaway. I know of no one in our parliamentary system of governments who would take on a job at once so exhausting and so thankless.

Consider next the position of the main cabinet officers, such as the Secretary of State and Defence. Upon them the major burden of formulating and executing American policy falls. For despite the theory of the American constitution, the contemporary scene is too complex and moves too fast to enable Congress to frame policy. The Secretaries are the heads of enormous departments and carry a tremendous load of work upon their shoulders. The Department of State is now something like eight times the size it was in 1939. These men are not elected politicians backed by all the team spirit and camaraderie that a member of the House of Commons enjoys, but they can be summoned at short notice to appear before a Congressional committee to give an account of their actions, or to be asked in the most public and peremptory fashion about some project which has probably been the result of months of delicate negotiations with foreign governments. In the last five years the Secretary of State has appeared personally before Congressional committees 67 times, and his officials a total of 260. I can testify from personal experience that there are certain weeks in the year when it is quite impossible for a senior state Department official to spend an hour a day on his proper duties. Our impulsive erratic permanent officials in Ottawa and London who are shielded from the glare of parliamentary and public criticism by the protective form of a minister who is politically expendable, do not know, I sometimes feel, how lucky they are.

The foreign observer coming to Washington and aware of the rigidities of the American constitution, is surprised not so much by the defects of the system as by the fact that it works at all. For the plain fact is that with immense creaks and jerks the system does work. Within a space of less than fifteen years the United States has emerged from an isolationism only one degree less tight than that of Shintoist Japan and has assumed the responsibilities and most of the obligations of world leadership. It has managed to rally American public opinion which is deeply anti-militarist by tradition to undertake the greatest measure of rearmament ever contemplated by any nation in time of peace. A government whose originators abhorred the idea of the slightest interference with private trade or commerce has managed to liberalize the relations between labour and management, and to exercise sufficient guidance over the economic climate as to prevent the worst evils both of deflation and inflation. Europe has been bolstered up both economically and militarily, aggression has been halted in Korea without provoking a major war in the Far East, slowly but steadily the programmes for assisting the underdeveloped countries are carried on year by year and perhaps the greatest achievement of all is that President Truman, that small Missouri politician who had never thought very seriously about the world at large until the war came, has, by his stubborn honest adherence to the foreign policy, which he inherited from his great predecessor, made it impossible for the coming election to be fought on any other ground. It is a striking fact that unless the American people elect Senator Taft next autumn, every other presidential candidate, General Eisenhower, Governor Warren for the Republicans, Senator Kefauver or Governor Adlai Stevenson for the Democrats are all committed to the Roosevelt Truman line of Foreign Policy. I feel that we, the inheritors of an older tradition of world-wide responsibility should exercise a certain humility and willingness to suspend our criticism of American shortcomings, in face of this amazingly rapid maturity of opinion. I can think of no phenomenom to equal it in the whole of history.

I should like to pass on to you the second point which struck me forcibly when I first came to Washington. This is that the American map of the world is not yet completely unrolled. While the spotlight of American interest in the world has broadened immeasurably in recent years and reached new areas there are still parts of the world in shadow. Let me try and illustrate that historically. Originally the men who made America were far too caught up in the business of developing their own continent to have any interest in the outside world. For the past hundred years or so one can see the United States getting inextricably involved in the affairs of other parts of the world; steadily protesting that this is only temporary or accidental. Central and South America in the nineteenth century; the Far East in the first half of this century, Europe and the Mediterranean in the past ten years. Just coming on to the American map are the Middle East and South East Asia.

The case of the Middle East illustrates my point. Three years ago you could interest almost no one in Washington in the problems of the Middle East. Except of course in the problem of Palestine for which there seemed a very simple and straightforward answer.

As recently as eighteen months ago I asked one of the most senior generals in the Pentagon what line the American government intended to take to ensure the defence of the Middle East from Russian attack. "The Middle East," he said, "We leave that part of the world to the British."

Yet today the United States is inextricably involved in the affairs of the Middle East. It has its own vital commercial interests there in the American oil companies, which depend for their existence on the goodwill and co-operation of the local governments. The strategic containment of Russia demands that a watertight system of defence be erected in that area. The United States is now vitally concerned in maintaining freedom of passage through the Suez Canal, and the network of air and cable communications which parallel it. America cannot now be indifferent to the smallest events that take place in that area. She has now joined with Britain, France and Turkey in the decision to set up a Middle East Command. Her most powerful Fleet is now permanently based in the Mediterranean. She has made a valiant effort to mediate in the dispute between Britain and Iran over the nationalization of the Anglo Iranian oil company. She has committed large sums for technical and economic assistance to the area. And yet all this has been done with great reluctance. In fact it has been done with all the more reluctance because it has meant at times supporting the colonial policies of Britain and France against the more irresponsible manifestations of Middle Eastern Nationalism, which is something that goes very much against the grain of the American tradition.

I suspect that in the next few years very much the same will happen with regard to South East Asia, to the area that lies between India and Malaya. At the moment there is very great reluctance indeed in Washington to assume any responsibility for the security of that area. The military maintain that they have not sufficient resources to back up any committments that might be made there, that it is remote and inaccessible, that no direct American interest is threatened. Certainly there would be very great reluctance on the part of the American people to go to war for Siam or Burma, countries of which they know very little and probably care less. Yet if the Chinese give signs that these countries will be the next targets for aggression it is difficult to see how the United States will be able to stand aside. A debacle in South East Asia would not only be a major diplomatic defeat for the West, it would also mean the loss of many valuable, indeed vital, raw materials which are essential to the rearmament of the West.

The moral of this I believe is that there is no such thing for the United States as a limited committment to the outside world. It is possible for her to be completely isolationist which is a disastrous policy but could probably be achieved, by withdrawing as ex-President Hoover suggests into an American Rock of Gibraltar. But it is not in my view possible for America as by far the strongest power in the West to undertake to strengthen the security of one part of the world but not another, to accept a committment in Europe but not in Asia. Just as when Britain was the dominant power in the West her committments had to be gradually extended until they included the seven seas, so I think that America will find herself unable to limit her committments for maintaining world security.

Now this is going to be a very hard pill for American opinion to swallow, since the idea of any foreign committment is still a relatively new one, and there are many people including some who will be most vocal during the coming election campaign, who have not yet accepted the obvious facts of America's position. I can imagine no process more unpleasant for a nation which has traditionally regarded itself as self-sufficient in every sense, to discover as the years go by that in Litvinoff's words "Peace is indivisible," that to be effective the Pax Americana must be at least as extensive as was the old Pax Britannica.

Now again I think we in the Commonwealth, especially we in Britain, should exercise a certain humility and restraint in watching the reluctance of the United States to face to the full implications and obligations of being the strongest power in the world. For, if you look back over British history, you find exactly the same thing. You will remember that throughout most of the mid-nineteenth century the British parliament protested regularly against paying for the upkeep of troops in Canada and elsewhere. At an earlier date every fresh obligation which the government assumed in India brought forth howls of protest from public opinion, that it was unnecessary, could not be afforded and we would end by ruining the British people. For years the Colonial office stood out against the annexation of New Zealand, declaring that it was not a British interest to have any more committments in the Pacific. And yet bit by bit the committments grew until they became a world wide system. Britain was the strongest industrial power of her day as Rome had once been, and since that power has now passed to the United States, the task in my view falls inevitably upon American shoulders, however great a distaste the individual American may feel for their allotted place in world history.

Let me offer you another impression of Washington. One of the subjects on which opinion is least well informed and most puzzled is the Commonwealth. They have witnessed the obvious decline in Britain's strength as a result of two world wars and recurring postwar economic crises, they have seen the old imperial tie with India and Burma broken, the British mandate in Palestine terminated, the growth of colonies like Nigeria and the Gold Coast in to self-governing communities, and the adoption of independent lines of economic and foreign policy by Canada and Australia and South Africa. And they have tended to assume that the day of the Commonwealth is past. They have observed the signs of weakness in the Commonwealth and they have failed to see its inner strengths.

A good illustration of this attitude was revealed by the death of his late Majesty King George and the accession of Queen Elizabeth. Not only was there demonstrable evidence of real grief throughout the whole length and breadth of the Commonwealth, but the actual mechanism by which the Queen was proclaimed showed up the nature of the Commonwealth link. Canada was the first nation to proclaim the Queen. South Africa whose government is supposed to be on the verge of Republicanism issued the proclamation without the slightest whisper of disagreement. The Indian government immediately adjourned parliament as a mark of sorrow and later proclaimed the Queen not as Queen of India but as head of the Commonwealth. People recalled that the system, call it Commonwealth or Empire over which the sovereignty of the Queen is acknowledged covers one quarter of the world's surface and contains nearly six hundred millions people, or four times the population of the United States. This is I think very puzzling to many Americans who have been used for many years past to think of the Commonwealth as in a slow and genteel process of disintegration. The mistake has always been to take the signs of growing autonomy among the nations of the Commonwealth for evidence of a desire to break up the system itself. With the deep rooted and strong distaste for colonialism which is in every American, the Commonwealth is too oft envisaged as a series of small nations struggling to free themselves from the domination of Britain, as if that battle had not been fought and won nearly a century ago. On the day when it was announced that Mr. Massey had been appointed to succeed Lord Alexander as Governor General I turned on my radio and heard a Washington commentator who is usually well informed solemnly state that this appointment "marked a significant step towards Home Rule for Canada." You must be much more keenly aware than I am how frequently and how persistently Canada's connection with the Commonwealth is misinterpreted by most Americans.

What I have been saying may sound to you very obvious. The American constitution is ill designed for the tasks of world leadership that America is now called upon to undertake. That the Americans delude themselves if they think that they will be able to restrict their commitments to specified segments of the world, and that they have an inadequate understanding of the true nature of the Commonwealth, and especially of Canada's place in it. But they do lead me to a conclusion which I am inclined to think is not sufficiently appreciated, but which has impressed me most forcibly during my time in Washington.

That is quite simply that the United States is in the midst of a profound internal psychological revolution which will take many years to resolve itself. The people of the United States or their leaders did not become the leading power in the free world by a process of ambition, calculation and force. In the most literal sense they have had greatness thrust upon them. They are under none of the pressures which have motivated the actions of other great powers. They do not have to protect their borders from attack. She is not dependent on overseas trade as both Britain and Canada are and has no economic impetus to become a world leader. Most of her inhabitants or their ancestors came to her shores because they wished to escape from the web of international power politics. In fact if you were to examine the innermost heart of the average American you would find that the nearest that he ever wished to come to world leadership would be to have his favorite team win the World Series . . . the Communist picture of a power hungry America plotting for war is the grotesquest image ever projected on the screen of propaganda. Every step that is taken by the United States in fulfillment of its position of world leadership, its support for the United Nations, the war in Korea, the stationing of troops in Europe, its support for Nato are as it were intellectual decisions, they are not dictated by instinct.

And throughout American policy for the past few years, especially as expressed in Congress, has run the same thread. We will take action once and for all to alleviate the current evil. Europe must be rebuilt economically, therefore the Marshall plan. Communist aggression in Korea, therefore the draft and rearmament. Definite action to solve a definite situation. Very much in keeping with the downright energetic American temperament. The Marshall Plan solves one set of European economic difficulties but its completion finds a host of new ones rising up. You halt aggression in Korea and it threatens to break out elsewhere. The fact is that the problems are endless and none of them are capable of a clean cut solution. There is always some one ready with a nostrum, a patent medicine: Let the Europeans rot, bomb the daylights out of China, abandon the problem to the United Nations, but in their hearts everyone except the bigots know that these are merely dodging the issue . . . In my view men like Senator Taft or ex-President Hoover with their easy blueprints for limiting America's participation in world affairs are expressing a very powerful current of American nostalgia for the gay and pleasant past that is so clearly not going to be repeated for Americans. Their real mistake is in trying to lead America back to her past rather than forward to her future. The profound and unpleasant revolution of which I have spoken comes with the realization that once you have entered the gray area of world affairs, no problems can be solved quickly and some can never be solved completely.

It seems to me therefore that the United States needs *proof* of our support as allies in the defense of freedom in the West to an extent that Great Britain when she was the leading power did not. For the United States will only be enabled to go through with the psychological revolution which confronts her if she feels that she is part of a community of nations which all support and to which all contribute according to their strength. And in this process Canada has one of the most important, parts to play. For Canada is a North American nation which can speak to America with the trust which comes from a common tradition and shared habits. She is a member of the Commonwealth which, as I tried to outline earlier, is an organization regarded with increasing respect and confidence by American opinion. And finally she is a member of the North Atlantic Treaty Organization which is by far the most satisfactory formula that has yet been found for an international alliance which takes account of the differing strengths and traditions of the member nations.

The Nations of the West have a long hard road ahead of them. The Cold War in my view at least has many years yet to run, and there are other equally difficult problems ahead, the economic health of Britain and Europe, the raising of the standards of the backward peoples. We in Canada and in Britain are faced with the problem of the western alliance under American leadership into something that will endure and be strong. And to us falls the difficult task of being both loyal allies and friendly critics of the United States, understanding the peculiar difficulties which the United States faces but being ready to raise our voices when American policy or American opinion relapses in to irresponsibility. I would leave you the thought that it is Canada's role not only to do this on her own behalf but to give a lead to the other Atlantic nations in forging the right kind of relationship between the United States and her allies.

THANKS OF THE MEETING were expressed by Dr. C. C. Goldring.

"THE ECONOMIC FUTURE OF CANADA"

An Address by

GENERAL ROBERT E. WOOD, D.S.M., C.M.G.
Chairman of the Board, Sears, Roebuck & Co.

Thursday, March 13th, 1952

CHAIRMAN: The President, Mr. D. H. Gibson.

MR. GIBSON: I well recall the address which Mr. Charles Schwab, then President of Bethlehem Steel, gave in New York City on an occasion similar to this. He remarked "The real aristocracy of the world are those men who create and build any form of enterprise that is of benefit to their community or to their fellow-men, and share their lives in service for the betterment of society."

As Second Lieutenant with cavalry troops in the Philippines in 1902 and 1903, and again as Major sailing for France in 1917, and in 1918 promoted to Brigadier-General, we have General Wood as a worthy citizen rendering military service in the hour of need.

His ten years' association with the construction of the Panama Canal, with all its benefit toward Commerce a truly colossal undertaking led him to say "Everything I have done since has seemed easy". In his business world, his associations cover twenty-six companies and institutions. This realm embraces—Honorary President of the Boy Scouts of America and culminating in his crowning achievement—the guiding genius of the modern Sears-Roebuck Company.

Truly General Wood belongs to the real aristocracy. The State has honoured him in the only way it can honour devoted service. The United States Government conferred on him the Distinguished Service Medal, the French Government the Legion of Honour and the British Government the honour of a Commander of St. Michael and St. George.

We are greatly honoured, and full of appreciation for since our first correspondence in August 1949, two long years have passed—Gentlemen it is a special privilege to call upon and to welcome our distinguished guest and speaker, General R. E. Wood who will now address us.

GENERAL WOOD: I am very happy to be in Toronto today. It has been many years since I have been in this city; My last real visit here was some 30 years ago, though I have passed through en route a few times in the intervening years.

Like millions of other Americans I have many ties with the Dominion and its people.

My younger brother, who was an officer in the United States Army resigned his commission in September of 1914, went across the border and enlisted in the Canadian Army. He was here at Toronto, was later commissioned as a Captain in the 16th Battalion Canadian Scottish and went to Europe in the Winter of 1914-1915. He went into the trenches of France in May of 1915. He was wounded in September of 1915, came out of the hospital in December, was wounded again in January, released from the hospital in February and was killed at Ypres in June of 1916. He is buried in the Canadian cemetery at Poperinghe, Belgium.

My other brother, a mining engineer enlisted in a Canadian Engineers Company in 1916, but was given his discharge in 1917 when the United States entered the war. He then re-enlisted in our army, went over in my division to France and was wounded in 1918.

For nearly 20 years I took my vacations in western Canada. I would get a pack train and go into your beautiful Canadian Rockies and hunt mountain sheep, mountain goat and caribou. During these trips I became well acquainted with Alberta, British Columbia and the Yukon. My eldest daughter has a residence just off Vancouver Island, about 40 miles from Victoria. I have visited her and have cruised along British Columbia's coast many times. I have taken fishing trips in the Hudson Bay region and in Quebec and New Brunswick so that I feel I know Canada fairly well. I have always liked your country and your people and have always had great faith in your future.

Nothing has given me more cause for satisfaction than the friendliness which has developed on both sides of the line during the last 20 years. Old jealousies and misunderstandings have largely disappeared and I think the vast majority of Americans have a genuine admiration for Canada and the Canadian people. They wish Canada well, and hope to see the country prosper. I do not know as well the sentiments on this side of the line, but I hope our sentiments are reciprocated. The old bogy of annexation has entirely disappeared. If the two countries ever do unite it will only be because the Canadian people desire such a union. The question will be decided by Canada, not the United States.

The last 10 years have shown marvelous development in the Dominion, but in my opinion, Canada has really just begun its real development. The progress in the decade, 1950 to 1960, will be far greater than the progress in the last decade. You will be the leading member of the British Commonwealth of Nations. If the British Empire survives its present period, you will probably be the seat of the Government of the Empire, if you so desire. Your population, which by the census just completed is 14,000,000, will probably reach 18,000,000 in 1960 and 22,000,000 to 25,000,000 in 1970.

I think that while all of you must realize the enormous changes which have been taking place in the world since World War I, few people have fully realized some of the primary causes for these changes. The business, of which I have the honor to be the head, gives me a marvelous opportunity to view the industrial panorama of the United

States, dealing as we do with 12 to 15 million consumers on the one side and with 12,000 manufacturers on the other. These changes are occurring in all parts of the world.

In the 19th century raw materials were brought from all over the world to the workshops of the world, where they were processed and re-exported to the raw-material country. The original workshop of the world was the British Isles; then the United States and Germany came into the picture, followed later by Japan, Belgium and Holland and the smaller countries of western Europe, though on a smaller scale. With the spread of manufacturing know-how, the advance in machine tools and the exportations of machine tools to the raw-material countries, these countries began to develop their own manufacturing. For a century the raw-material countries were exploited. Today every country realizes that there must be a balance between agriculture and industry, that the three primary needs of man—food, clothing, shelter—must be provided for by local manufacturers.

The same applies to the segments of a large country—fifty years ago, our cotton raising south and our western wheat raising states were colonies of New York and New England. From what little I have observed, the prairie provinces of Canada were in a similar situation with respect to Ontario and Toronto.

As a result of these changes, instead of raw materials moving to the concentrated workshops of western Europe and of the eastern United States, factories and population are moving to the raw materials and the food. This is true not only in western Europe, but it is also true in the United States where a tremendous shift in industry is taking place from the New England and Middle Atlantic States, to the Middlewest, the South and the Southwest and the Pacific Coast. The manufacturing of Canada is largely concentrated in Ontario and in Quebec. Eventually, some of your manufacturing will be transferred to the prairie provinces and to British Columbia, though this movement will probably take a number of years. To develop local manufacturing industries, there must be enough population with enough distribution so that manufacturers can keep their machines busy and cut their costs down. This is difficult where the population is small. My firm had this experience in California when we tried to develop our purchasing on the Pacific Coast. For ten years we made little headway, but when the great surge of population arose in the state of California from 1940 on then it became easy. 22 years ago we bought 5% of what we sold from Pacific Coast Manufacturers, today we purchase 40% there.

You have to a certain extent similar conditions in Canada where your manufacturing is concentrated in the eastern provinces and you have a long, expensive haul to the prairie provinces and to British Columbia. Your natural avenues of communication out there run north and south, but the political boundary, duties, etc., largely prevent the natural flow of goods from south to north and vice versa. It would lower manufacturing costs and cut living costs in the Prairie Provinces and British Columbia if goods could move up from America factories in the Middlewest and the Pacific Coast into the Prairie Provinces and British Columbia. However, this will occur only when Canadians decide it is to their advantage to take such a course.

I believe the decentralization of industry to be healthy and beneficial not only between nations, but between segments of nations—like Canada and the United States. The transfer of industry from our crowded New England and Middle Atlantic States to the Southeast, Southwest and Pacific Coast will be to the advantage of the United States, just as in the future similar changes will be to the good of Canada.

In my many trips to British Columbia, it has always seemed to me that our system of life was crazy, when that beautiful province with every natural resource, with 365,000 square miles of territory, or four times the area of the British Isles, has 1,100,000 population while on the British Isles, 50,000,000 people are crowded into 89,000 square miles of territory. Most of the troubles of Britain stem from the fact that the little island which is raising only 39% of its food does not have today the resources to provide 50,000,000 people with a decent standard of living. The same applies to the other countries of western Europe which are all over-populated. France is the only country of western Europe that can feed itself. Every province in Canada, with 4 exceptions, is larger than any country in Europe except Russia.

You in Canada have every reason to be happy. You have immense resources in land and minerals. You have space, plenty of room to maintain your present population and a much larger one on a high standard of living. You have an intelligent, hard working population, you have capital, a good Government and a stable currency.

You should be thankful that you are Canadians.

I was in western Europe last summer and it seemed to me that for the first time I saw Europe in true perspective. The British, German and French Empires, stripped of their colonies or of effective control over them, are in no sense to be compared to a single one of your great provinces or to some of our larger states like Texas or California. Quebec, Ontario, Texas, California all have the area and the resources.

I returned a few days ago from Venezuela and Columbia where my company has several stores. These South American countries too have immense resources—they are young, alive, growing. Brazil is an Empire in itself.

In 1951 Canada had the largest trade with the United States, Brazil came next, and Mexico next—all ahead of Great Britain or any country in Europe.

Europe is old, tired, overpopulated. The future belongs to the two virgin continents of North and South America.

The next 100 years will show an astonishing development in the countries of the western hemisphere and in this development Canada will play a leading part. Your population and your wealth will increase, your standard of living and your purchasing power will steadily increase. The western hemisphere will have both the economic and the political power far superior to that of Europe and Asia.

I am a firm believer in the capitalistic system, the so-called free enterprise system. With all its faults, it is the best system yet devised, and properly administered and handled, it will give the best results to the people of the World, far superior to any form of statism.

Businessmen, as the administrators of this system, we must get a new view of our responsibilities. I always say to my associates that there are four parties to any business—the customer, the employee, the community, the stockholder. I name them in the order of their importance. If the interests of the first three are properly taken care of, the stockholder will profit in the long run. If the customer is not properly served, the business perishes; if a company has a disgrunted, sullen set of employees, the business will never prosper as it should. I believe the head of every business, large or small, should regard himself as the trustee of the men and women working for him and should be glad to better their wages, their working conditions, and their security within the limits of what the business can afford. Sears antidated our government by 20 years in providing social security through our profit sharing plan. The employees' fund today has assets of $400,000,000; our older employees are retiring as capitalists. In the last 10 years of labor strife and turmoil in the United States our relations with our employees have been peaceful.

Corporations should contribute liberally to the public and charitable projects of the communities where their plants, factories or stores are located. With the present system of taxation, they cannot assume the load that wealthy individuals formerly carried.

If the corporation does its part toward the customer, employee and community, the stockholder will prosper.

From a material viewpoint your prospects are unlimited. With modern science and modern technology, with your immense resources, the standard of living of every class of the Canadian population should rise continuously for the next 20 years. But it takes more than material well-being to make a great nation. Canadians must retain the courage and faith of their forebears—Canadians and

Americans must retain their faith in God and in the principles and ethics of the Christian religion. We must not follow the leadership of the so-called intellectual, the man without faith in God. If Canadians as well as Americans retain this faith, both nations have a glorious future.

THANKS OF THE MEETING were expressed by Mr. D. H. Gibson, the President.

“PIPE LINES–CANADA AND ELSEWHERE”

An Address by

A. N. HORNE
President, Trans-Northern Pipe Line Company

Thursday, March 20th, 1952

CHAIRMAN: The Third Vice-President, Mr. John Griffin.

MR. GRIFFIN: Members and guests of The Empire Club of Canada; We are to hear an address today by Mr. A. N. Horne, President of the Trans-Northern Pipe Line Company of Toronto. Mr. Horne was born and educated in the State of Mississippi and graduated from college in Electrical Engineering. He served his country in both world wars (and between as a Reserve Officer) in the U.S. Army—in World War II on the General Staff Corps.

Most of his professional career has been spent in association with the Oil Industry, largely in connection with the design, construction and operation of pipe lines.

Despite his many achievements Mr. Horne is a modest and retiring man who never blows his own, and we are fortunate that he has consented to speak to us today on some of the great projects with which he has been connected.

He has built and operated pipe lines in many parts of the world and is currently constructing one from Montreal to Toronto and Hamilton but I hope he will confirm my own impression that the most romantic of these endeavours was the Trans-Arabian Pipe Line which extends over a thousand miles from the Persian Gulf through Saudi Arabia, Jordan, Syria and Lebanon to the blue waters of the Mediterranean.

It is a great pleasure to present to you A. N. Horne—"Mr. Pipe Line".

MR. HORNE: The subject for today is "Pipe Lines—Canada and Elsewhere".

Pipe Lines play a tremendous part in our daily lives. Since they are, for the most part, underground and out of sight, it is difficult for the average person to realize their importance to present day economies—local, national and international.

This subject is so vast in all its ramifications that it will be possible today only to touch a few high spots.

Most subjects under discussion or examination can be pretty well covered under these six headings—"What, Why, Who, When, Where, and How".

Therefore—

"WHAT" is a Pipe Line?

The classic answer to this is: "A pipe line is a long hole with a piece of steel wrapped around it, built by a bunch of queer people from Oklahoma and Texas who haven't got sense enough to quit work until the job is done, so they can hurry along to see what is on the other side of the next hill."

For purpose of this discussion, we will principally consider pipe lines as found in the Oil and Gas Industry.

"WHY" is a Pipe Line?

In the Oil and Gas Industry, the function of a pipe line is the transportation of Power and Energy.

A hard-headed Banker recently said: "One of the acid tests of transportation efficiency is financial; how cheaply can it do the job, compared with its competition?"

A Gas Pipe Line Executive said that his studies revealed that the most efficient method of transportation of a kilowatt hour of energy is that of oil by high pressure, large diameter pipe lines (with the exception of tanker transportation where water is available); that the next most efficient method of transporting a unit of energy is by the transportation of 1000 BTU of natural gas by high pressure, large diameter pipe lines.

Pipe Lines are specialized carriers, and uni-directional. That is, they transport only oil (or its liquid products) and natural gas from the wells to the refinery, thence to market. However, their versatility, efficiency and economy are indispensable to our modern way of life.

While a pipe line is the only means of transporting natural gas, it is almost unlimited in its ability to handle the products refined from Crude Oil. As many as 32 different refined products have been moved through a single pipe line, although the bulk of products consists mainly of gasolenes, kerosenes, heating oils, diesel oils, and stove oils.

"WHO" is a Pipe Line?

A natural question to business men is "Who builds, owns and operates pipe lines?" and the basic answer is: "The Oil and Gas Industry".

A pipe line system is usually a part of an integrated oil company — Production, Transportation, Refining, Marketing. It may be wholly owned by one company, or it may be a combination of owners. However, in the United States, oil lines usually operate as Common Carriers in Interstate Commerce, under regulation of the Interstate Commerce Commission.

A large trunk line gas system may not have its own gas production, and may not deal directly with the ultimate consumer. In this case, the company purchases gas from the producer (necessarily on long term contract), transports and delivers to separate marketing companies in many cities which distribute to the Consumers.

During World War II, War Emergency Pipe Lines (the so-called "Big Inch" and "Little Big Inch" lines) proved the feasibility and economics of large diameter pipe lines for transporting large volumes of liquids for great distances.

The trend since that time has, therefore, been toward large diameter lines,

"WHEN" is a Pipe Line?

The basic law of "Supply and Demand" in conjunction with "Competition is the Life of Trade" dictates "When" a pipe line should be built.

As new or expanded markets develop, and as old sources of production decline, it is necessary to explore and develop new production areas. Thus, it is necessary to build or extend pipe lines to new sources, and to new or expanded market areas.

A pipe line, therefore, is built when the economic need therefor is justified on sound business principles.

"WHERE" is a Pipe Line?

Nowadays, pipe lines used by the Oil and Gas Industry may be found in almost any part of the world.

At the end of 1950, statistics show:

Total Number of Crude Oil Wells in the Principal Areas of the World	over 500,000
Total Number of Refineries	688
Daily Crude Runs	11,000,000 bbls.
Total Miles of Pipe Lines—Gas	388,000 mi.
—Oil	210,000 "
—Products	23,000 "

In the U.S. alone, construction totaled 16,000 miles in 1950, and 12,000 miles in 1951.

Canada had a total last year of 1,600 miles of oil lines and over a thousand miles of gas lines.

Construction is either under way or getting started very soon on some 600 miles of products lines and 750 miles of Crude Oil lines.

Primarily, a pipe line is designed as a means of transportation from the source of production directly to the refinery or Consumer Market. However, Oil and Products lines are increasingly used as a link or segment of a combination transportation system. Example — Crude Oil from wells along the Persian Gulf in Saudi Arabia first moves by pipe line across the desert to the Mediterranean, thence by tank ship to Portland, Maine, again by pipe line to Montreal. From Montreal the refined products will move through a pipe line now being constructed to Toronto and Hamilton, with some portion again trans-shipped by truck, rail and water to ultimate consuming areas.

"HOW" is a Pipe Line?

"How" do we go about designing and construction of a pipe line?

We find 11 basic steps necessary from conception to completion, outlined as follows:—

Step 1—Transportation Analysis, Aerial Photography, Ground Surveying; Step 2—Design, Specifications, Bids; Step 3—Obtain Right of Way, Clearing; Step 4—Pipe Handling and Stringing; Step 5—Ditchings, Crossings; Step 6—Bending Operations; Step 7—Welding, Pipe-Gang Operations; Step 8—Cleaning and Priming, Coating and Wrapping; Step 9—Lowering Into Trench, Backfilling, Testing, and Cleaning Up; Step 10—Pumping and Compressing Stations; Step 11—Pipe Line Facilities and Service; Communications; Storage and Terminals; Metering and Control; Maintenance.

Trans-Northern Pipe Line Company

This project is a 400 mile, 10″ Refined Oil Products Pipe Line System from Montreal to Toronto and Hamilton, with a 42-mile, 6″ branch line from near Cornwall to Ottawa.

It is owned by three local Canadian Companies—Shell, British American, and McColl-Frontenac, and is designed to serve as a dependable, daily, year-round transportation outlet for their three refineries at Montreal, and one at Clarkson, with terminals at Cornwall, Ottawa, Prescott, Brockville, Kingston, Port Hope, Belleville, Toronto, and Hamilton.

The present method of transport is by rail, tank ship and tank truck. This method requires building up huge stocks of products at refineries and terminals to carry over the 5 months closed shipping season each year, supplemented by tank car movements. The initial design capacity of this system is 40,000 barrels per day, with 4 pumping stations. With addition of 4 intermediate stations, the capacity can be increased to 60,000 barrels per day.

Pumping stations initially will be located at Montreal, Farran's Point (near Cornwall), Kingston and Trenton. These stations will be electric motor driven centrifugal pumps. Cottages will be provided at these locations for the station operators.

Communications between all points will be teletype, for dispatching and routine matters.

Main office is located at Toronto, and an Operations and Maintenance Headquarters will be established at Kingston.

It is planned to move as many as 19 different refined products through this line—such as the several grades of gasoline, including Aviation Gas, Kerosene, Light and Medium Fuel Oil, Stove Oil, Diesel Fuel, Mineral Spirits, Naphthas, Rubber solvents, Propane, Jet Fuel, etc.

How do we move these various grades through a pipe line without mixture?

First a schedule is arranged whereby related products are grouped in such sequence that a slight amount of mixture as between two products is inconsequential, as between kerosene and diesel oil. A cycle of operations is set up whereby a quantity of each of these products is pumped into the line in sequence, or one grade following another. The quantity of each product pumped during a cycle is calculated to be sufficient for a two-week supply, or larger, at each terminal, but usually a minimum of 5,000 barrels of any one product for a 10" line. Once pumping is started, it must be continued at a certain minimum rate of flow—fast enough to prevent mixture of the products.

Example—Begin at Montreal by pumping into the line 25,000 barrels of fuel oil, which may be the heaviest or lowest grade product. This quantity is termed a "slug" or "batch" or "tender". This number of barrels is equivalent to a little more than a half day of pumping, and would fill the line for 75 miles. This slug is then followed successively by varying quantities of Diesel Fuel, Kerosene, other intermediate products, ordinary grade Gasolene, high octane, premium and Aviation Gasolenes, each succeeding product pushing the others on ahead in the line. The order in the cycle in then reversed, going back down the scale to the lowest grade of product. This completes the cycle.

As each product reaches a terminal, a portion is drawn off into appropriate tankage, or, any one product may move all the way through to tankage at the end of the line.

As these slugs move along the line, a small amount of mixture may occur at the interface between any two adjacent grades in the line. Mixture is a function of time and distance and pumping rate. In a movement from Montreal, the amount of mixture at the end of the line may be equivalent to one-half to one mile of line fill, or possibly 150 to 300 barrels.

Under proper control, the time of arrival of an interface, or change of one grade to the next, is carefully calculated from the pumping rate, meter readings, and by instruments which accurately record changes in characteristics.

At the end of the line, the small amount of mixture of two products can be blended proportionately back into the products without disturbing the characteristics of either, or otherwise treated and disposed of. These controls are very rigid, exact, — even more so than those of the manufacturer, because samples are taken from every batch, every tank, and every movement, and checked in the laboratory.

This is very similar to the makeup of a freight train in Montreal, scheduled for Hamilton, each car being loaded with only one commodity—no mixed cars. Assume that this train then starts out on a non-stop run, and that one or more carloads of any one or more commodities can be sidetracked at any or all stations along the route without stopping the train.

Arabia

Before coming to Canada last year, I was on a most interesting assignment in the Middle East. This was the construction of Trans-Arabian Pipe Line—a 30 and 31″ crude oil pipe line from the Persian Gulf, 1,083 miles across Arabia, Jordan, Syria, and Lebanon, to the old historic City of Sidon, on the Mediterranean.

In the planning and execution of this job, I had the experience of personal contact and visits with Kings, Presidents, Dictators, Prime Ministers, Industrialists, Sheikhs, Church Functionaries, and so on down the line to the Bedouin in the desert. I found all of these people uniformly friendly and co-operative, although sharp traders—which has been their main means of existence for centuries.

The justification for this 235 million dollar project was the fact that it saved 3,500 miles of ocean travel by tank ships—some 3 weeks of travel time, for movement of 320,000 barrels of crude oil per day to world markets, from an area that is presently producing nearly one million barrels per day.

Development of the Trans-Arabian Pipe Line project, popularly called Tapline, required several years of planning, engineering study, route reconnaissance, and lengthy negotiations with the four nations, before permission to construct was finally obtained.

In the summer of 1947 Tapline started, from scratch, to lay the biggest pipe line ever laid across one of the most ominous regions of the world. Engineers had drawn a line on a map. It followed a great circle route from a place which might have been called Nowhere on the Persian Gulf to the ancient Biblical city of Sidon in Lebanon above the Mediterranean.

The route crosses heavy sand dune country only on its first hundred miles on the east end. West thereof for 750 miles it crosses absolutely barren desert land to the Jordan frontier. The only noticeable surface features are occasional dry "wadis" where surface water flows or stands for a few days, and sometimes only for hours, after rain showers. Average rainfall is only three inches per year. Normally no rain falls from April to November inclusive.

That was the sort of terrain over which it had been decided to lay the world's greatest pipe line. Add to those features the fact that summer temperature rises to

130 degrees Fahrenheit, with a humidity below seven per cent. In such a climate a man drinks two gallons of water a day, metal surfaces become too hot to touch with the bare hand.

Over part of the route across the tilted desert there are high sand dunes which constantly "travel" under the buffeting of the fiery winds from the north.

For one thing, the American personnel, like the American machinery and materials, had to be flown or sent by ship half-way round the world. There was no other course to follow for materials and machines, but there was a vast pool of Arab personnel to draw from more or less on the spot.

The line was to be laid right through the heart of the Moslem world, which long had been closed to non-Moslems, and it seemed only just that the Arabs themselves should play as large a role as possible in the project that was to change their manner of life in so many ways.

There were two main difficulties, language and inexperience. But few of them spoke even a few words of English, and only a handful of Americans spoke any Arabic.

The second difficulty was training, not merely the training of hands to do unaccustomed tasks but really the making over of the whole way of life of thousands of people. The Arabs' living conditions, hard and primitive, had changed little since the days of the Prophet. Now suddenly they were face to face with the mysterious ways of a technological civilization.

Greatest work delay due to the difference in religions occurs during the Moslem month of Ramadan. For that entire month the devout neither eat nor drink between sunrise and sunset. When Ramadan falls in the hot season, work without drinking water becomes a torture no man can stand through a full day. And so for that period Tapline reduced its work day to six hours. But when work was pressing, the Arabs made no objection to returning to work in the cool of the evening.

There was no water well, no oasis, anywhere within reach of the line from the Persian Gulf to the frontier of

Lebanon. And each Tapline worker needed two gallons of water a day, with copious dosing of salt tablets, just to keep going. There were thousands of such men and water trucking became a major problem demanding some early solution. So Tapline began drilling wells.

It took two years to drill all those 40 wells, but the expected problem they created manifested itself when the first brackish water was pumped up to the surface. Apparently every Bedouin in Arabia heard about it immediately.

Since earliest antiquity hundreds of thousands of Bedouin nomads have ranged all over the vast desert lands southwest of Tapline's route. Each March or April they have migrated 300 miles or more north-eastward to grazing lands in the Euphrates Valley. Then in October or November there would be a return migration for winter grazing on the desert. During those hard migrations a large percentage of the herds died, but that was the only known way of life on the desert and it was philosophically accepted.

It was so accepted until Tapline's first water well came in. Then, as though word had spread across the desert by mental telepathy, the horizon darkened with the converging tribes. They made their camps by the water.

As far back as a year ago a rough count indicated that one well alone was supplying water to 12,000 Bedouin, 20,000 camels, and 40,000 fat-tailed sheep and goats. It was estimated that during the summer of 1950 Tapline was supplying free water, all along the line, to more than 150,000 camels and perhaps double that number of sheep and goats. Some 100,000 Bedouins had by that time set up camp around the water holes. There are water tanks at each pumping station and troughs have been erected to facilitate the watering of livestock. It is not unusual to see several thousand animals lined up waiting their turns at these troughs.

Next to the pipe itself, perhaps the greatest single item was automotive equipment. The desert fleet of cars and trucks consisted of more than 1,500 units.

These included 150 of the giant 50-ton trucktractors for hauling the pipe itself, 120 ten-ton trucks, 500 trailers, 80 refrigerator trucks and trailers for transporting perishable foods, 60 fuel and water trucks, 12 lunch-serving trailers, 40 buses of 60-passenger capacity, 10 sixty-passenger trailers, and some 400 other vehicles including passenger cars, station wagons, jeeps and a variety of other types.

And even all this was in addition to earth-handling machines, bull-dozers, Caterpillars, ditchers, graders and so on almost without end.

The great automotive fleet constantly moving over the pipe line highway was augmented by airplanes. They operated between the two terminals and the six major pumping stations as they were being constructed.

Because of Tapline's great project, the whole way of life is going to change for hundreds of thousands of people. The scenes of mankind's earliest civilization were in the Middle East. Within that region lay the Garden of Eden, the ancient cities of Ur, Nineveh and Babylon, and later the illustrious Baghdad. But century after century of decline followed the Mongol conquest in the 13th Century.

Now, oil has brought a renaissance. Thousands of Arabs have learned western trades and tasted western civilization. Hundreds of thousands will be affected to larger or smaller degree by the activity of Tapline across the deserts of the nomads.

THANKS OF THE MEETING were expressed by Mr. John Collingwood Reade.

“THE BRITISH COMMONWEALTH TODAY”

An Address by

JOHN G. DIEFENBAKER, Q.C.
Member of Parliament for Lake Centre, Sask.

Thursday, March 27th, 1952

CHAIRMAN: The Second Vice-President, Mr. H. R. Jackman.

MR. JACKMAN: Members of the Empire Club and our Radio Audience:

We have before us today a very large gathering and we are delighted to have one of the outstanding speakers in Canada to address us shortly.

Many of us quite naturally accept the conditions which surround us and determine our way of life as something which we can just take for granted. But our civilization, our democracy, our rights as individuals are all milestones which have been passed only after long and arduous journeys. On those journeys we must have leaders and we are fortunate that each generation throws up those who can lead us on the path to a fuller and more vigorous life.

Of such is our speaker today. John Diefenbaker is one of those truly great Canadians who is devoting his brilliant energies to the public life of this country. And may I say, as one who was his colleagues for some nine years, John Diefenbaker is serving us and serving his country at very great personal sacrifice, a sacrifice which very few of us who are not in the same position can fully realize, and I might here put in a word for those who serve us

January 25th: Lady Megan Lloyd George.

in public life, that a great many of them do so at tremendous sacrifice and are therefore well deserving of any help which you can give them.

John Diefenbaker was born in Grey County, but at a very tender age his family moved to Toronto and he went to school in East Toronto, to a little old red school house which is famous for having produced four Members of the House of Commons,—Mr. Joe Harris, Mr. Bob McGregor, Mr. George Tustin, and Mr. Diefenbaker.

Mr. Diefenbaker served Overseas in World War I, and on returning completed his education, and was called to the Bar at the University of Saskatchewan. Later he became a Queen's Counsel.

He was elected to the House of Commons in 1941, and his growth and development in that great body has been really outstanding. I know of no one who has grown as fast in usefulness and in the estimation of his colleagues in the House as has John Diefenbaker. It is he who has battled for the freedom of the individual against the State, battled in a way in which no one else can compare. He has been the one who has put forward the Charter of Human Rights, and not only in one session but has continued to do it in each subsequent session, until a charter of human rights is adopted. His incisive criticism has done much to keep the government on as good a track as it has been kept during these long years.

Mr. Diefenbaker and I have not always seen eye to eye on all questions, but I know today when he addresses us on the British Commonwealth that we certainly will be pulling together as we have so often done in the past.

Mr. Diefenbaker is a great Canadian, a selfless citizen and a good friend.

Ladies and Gentlemen, I give you Mr. John G. Diefenbaker!

MR. DIEFENBAKER: Mr. Chairman and Members of the Empire Club: First I want to thank Harry Jackman for his very kind words of introduction. Harry was kind enough to say that we do not always agree on things: as a matter of fact, he is an economist, and politicians, as the Rt. Hon. Mr. Meighen will agree, seldom follow the doctrines of economists. And over the years I have endeavoured to find a reason to explain why it is economists on occasion can be wrong, and I was very much impressed the other day in reading that the American Association of Economists, 2000 strong, met in the City of Boston for the purpose of discussing the subject "INFLATION, ITS RESULTS AND ITS CURE". When they arrived there they found that the fee for this year had been raised from $2 to $5 for membership in their own organization.

On this occasion I am going to speak on a subject that has been spoken on on many occasions, namely THE BRITISH COMMONWEALTH, something of what it means today and to members of that Commonwealth. My reason for doing so is that within the last year or so I have had the opportunity of attending a British Parliamentary Conference that was held, in Australia and New Zealand, at which there were in attendance Members of the Commonwealth from every part of this Commonwealth, representatives of all religions, Christians, Jews, Brahmans, Buddhists, Mohammedons, Taoists representatives of every colour and race, from the United Kingdom and the Dominions, from Malaya and Singapore, from India, from the Gold Coast and from the West Indies and everywhere, and it gave me a concept of this Commonwealth that I never had before.

Making due allowance for the fact that there are many here of Scottish origin, I can say that I shall always remember one occasion on the North Island of New Zealand when we were met there by a representative of the Maori race. He welcomed us according to the traditions and in the manner of his great and ancient race, and in the Maori language he said how happy he was that W. S. Morrison, the present Speaker of the British House, was with us, the greatest authority in Britain on Gaelic and Gaelic culture. He said, "Some of you may not realize it but I have Scottish blood in my veins too." Everybody was slightly disturbed, but that was cleared away in a few moments when he said, "My grandfather ate the two first Highland Scotch missionaries that came here."

I think of the gathering on that occasion of these representatives from every part of this Commonwealth. Then I think of the events of recent years, 1945 when we believed the world saved—the hopes of 1945 dissipated by frustration and fear. The U.S.S.R. giving vocal support to International Union, while practising the culture of confusion, and a condition of semi-warfare everywhere in the world.

As one looks at the world situation today, one has to be an optimist not to believe 25 or possibly 50 years will pass by before the world once more will have a realization that in peace will come prosperity.

Only yesterday I read Lenin's speech, one of the first speeches he ever made, in 1921, when he said, "in order to achieve our aim, we must at all times engage in the most determined and ruthless war, a persistent struggle, bloody and bloodless, violent and peaceful, military and economic, educational and administrative, against the forces and traditions of the old society."

The events of the last few years bear that out.

On the military front the freedom-loving nations are threatened by coercion and terror;

On the political front, the U.S.S.R. endeavours to arouse cleavages between nations and even within nations. Its working capital is insecurity—its chief stock in trade is hatred.

On the economic front, the U.S.S.R. endeavouring to undermine belief in the British Commonwealth, and everything for which this Commonwealth stands, and to build up the belief that Communism will raise the standards of down-trodden peoples and end discrimination, and end economic difficulties.

Just for a moment I am going to refer to certain evidence that was given recently before the United Nations regarding conditions in East Germany. East Germany today may be taken as the test-tube as to the manner in which Communism will operate if given the opportunity.

At the recent meeting of the United Nations in Paris, Herr von Brentano, a leader in the Federal Republic of Germany, and the Mayor of Berlin, Herr Reuther, presented a summary of conditions in East Germany. While elections were held and the population was forced to vote, there was only one list of candidates.

Tyranny stalks through the land. The Security Service has been built up with 150 officers and 50,000 spies, who can make arrests without warrant and who arrest and bring prisoners before judges who are politically fit. The legal profession was wiped out—93% of the lawyers belong to the Communist Party, and of the 3,000 practising in 1945, only 941 are still practising.

40,800 persons are under arrest as political prisoners —185,000 have been interned in concentration camps, 96,000 have died. 25,000 women forced to work in the uranium mines.

Yet in the face of the experience in that test tube, there are still some in our midst who will say that "Communism has its advantages."

I am not going to deal with the United Nations today. Certainly the hopes of 1945 have been frustrated, but I have not lost faith. But I am going to talk of another organization, I think of the opportunity that the British Commonwealth has today for an appointment with destiny greater than all of that in its long history, and I saw something again the other day in the House of Commons of what this Commonwealth means when, on the death of the Prime Minister of Ceylon, the Prime Minister of Canada moved and Mr. Drew seconded, a motion of condolence to that Prime Minister's family, the House of Commons stood in silent memoriam to the memory of a man thousands of miles away of the Buddhist faith, and another race—the epitome of everything for which this Commonwealth stands.

I think too of another example, some three years ago when the Prime Minister of Canada, 190 years after the Battle on the Plains of Abraham, welcomed as the Prime Minister of another land within this Commonwealth, Prime Minister Nehru of India, 190 years after the Battle of Plassey.

Those are the things that give to one a realization of the genius of the British people in evolving this system without organization. General Smuts once said, it was the greatest human experiment in political organization, but it has no organization—as did another great Commonwealth statesman in the person of Right Hon. Arthur Meighen, who honours us in being here this afternoon.

Smuts said, "This human experiment in political organization," yet did you ever realize the fact that it has no organization?

Another time he said, "It is the proudest political structure of all time", yet it has no recognizable structure.

An American recently stated that it is "An unprecedented political system", yet it has no political system or structure. Yet it has one of abiding quality, spread in all parts of the world, representative of every race and creed.

While the United Nations and its predecessor, the League of Nations, have not proven to be outstanding successes in world organization, and have not worked, the British Commonwealth system, without organization, without an organized structure, has worked. That is the abiding thing about this organization.

I think one of the finest answers to what it is was given in 1938, when Von Ribbentrop was Ambassador in London and he was at a dinner on one occasion, and he was speaking about the British Empire, and he said, "If another war comes along, your Empire would collapse, for after all it is held together only by moonbeams." Over and over again he repeated that. Finally, a woman said, "Well, Herr Ribbentrop a chain is something you would understand. If you cut a chain it is finished, but I would remind you that if you cut a moonbeam the moonbeam will continue." That is indicative of the attitude of the Commonwealth today.

One of the things that impressed me at the Conference, these men and women, representative of every colour and race, changing, changing weekly, changing monthly, vast changes have taken place in recent years. On the one hand, Dominions, on the other hand Republics, that recognize the Crown only as a symbol of unity but not of authority, yet in nurturing freedom and developing freedom the Commonwealth has become stronger.

There are many who feel that we would destroy the forces of freedom, it has developed freedom everywhere. One of the finest messages of that Conference came from a Hindoo, when he said, "When you speak of a Commonwealth and it no longer exists, and when you say that the British Commonwealth no longer will be a force in world affairs, we represent the cause of freedom which it upheld. It still occupies one-fifth of the territory of the world, has 22% of the world's population and does 36% of the world's trade as compared with 9% by the U.S.S.R. and all its satellites.

And I would sum up the opinion of a Member of Parliament coming from Canada and having met with these representatives to the Commonwealth Conference, I would say that what the events of the last few years have proven is that the strength of freedom is the grant of freedom, and that the Commonwealth is built on sentiment, on service, on self-interest, and what some people do not always realize in these days when the lights of liberty are being extinguished in so many countries, self-preservation as well.

It is a laboratory of political experiment that has reconciled liberty with varying degrees of independence. It is a paradox that it is composed of individual nations that act collectively without compulsion when danger threatens the freedom of the Commonwealth.

And having said those things, I come now to what I believe all of us must face—that is believing these things, what are we going to do?

I believe that the British Commonwealth must strengthen itself by cooperative measures. We must maintain Great Britain as the keystone of this Commonwealth. Today she faces a bone-dry austerity programme designed to avoid national bankruptcy, while at the same time keeping her in the forefront of the advance of western freedom.

In the past five months she has cut her imports by 1,350 billion dollars. As banker for the sterling nations in the summer of 1951 she had 3,800 billion dollars to her credit, and this was down to 2,335 billion at the end of the year. The United States is giving Britain grants of 300 million dollars to support the British defence programme.

South Africa's Finance Minister, Hayenga, has appealed to the Parliament of South Africa to let him draw substantially on South Africa's gold reserves to save the sterling area from bankruptcy.

I think the time has come for Canadians to make a declaration of help and assistance to Great Britain, and make an all-out contribution of food to help the people of Britain in their hour of travail. They live on poorer rations than they did in the days of the war. We have within our country an abundance of food far and beyond today that we require and far and beyond that trade today will permit us to dispose of.

Then I advocate once more that representatives from all sides of the House . . . for the establishment of a Commonwealth trade conference to bring together the experts from all parts of the Commonwealth to consider the convertability of sterling and the dollar of the Dominions, because the situation is such with South Africa, Australia, New Zealand, India, all of these countries in the Commonwealth reducing their imports from Canada, we in this country will have lower exports to those countries by 100 million dollars in the next year.

What about Britain's position? I hear criticism on occasion of the fact she purchased coal, grain and lumber from the U.S.S.R. She can't purchase them here. In return she delivers machinery, metals, rubber and precision tools. Canada and other parts of the commonwealth should do their part in supplying Britain with these needs.

Britain has been our traditional market for apples, salmon, bacon and other agricultural products. She can't buy them today. We are spending millions on defence. Our blue print showing expenditures that can not be made in Canada, and many things we are purchasing from the United States, I have suggested on numerous occasions that we might well spend some dollars in the United Kingdom as part of our defence programme, making available to them in turn those monies to purchase some of their needs in Canada. 100 million dollars used in that way would do more today economically, more today to bind together the various parts of this Commonwealth than anything else that could be done. Yet when one suggests it, the answer invariably is that the matter is being considered.

Then I come to another problem. You see these various representatives of the Commonwealth, they know something of our wealth in Canada, and they ask us the extent to which we are developing the resources that are ours.

Today, in the world today, five out of every six of the people within this Commonwealth belong to the coloured races who are antagonistic because of our closed doors to them. Their request, their demand, their appeal is we build within our country to the extent of our development, the resources that we have, thereby rendering ourselves in a position to extend to those people some of the things that they would want.

And in the development of such a Natural Resources programme I would like to see convened within this country a National Development and Production Board, to make a survey of our national resources, to develop within this country now the expansion of mineral resources, and strategic resources, far and beyond what is done today, and in addition supply every part of the Commonwealth with these needs should war come; we would also be doing something in Canada to keep the tens of thousands denied here the opportunities which they believe the economic development of the United States permits. You say I overstate it. The records show since 1945, 540,000 people have come into Canada under our Immigration scheme, and in the same period of time 480,000 Canadians have left Canada. What we need today is a great concept of what this country can develop. I remember in one of the great speeches by the Rt. Honourable gentleman on this platform in 1920, a speech that is reported in his volume "Unrevised and Unrepented," showing some the potential development of Canada, something of what could be and should be done, something of what must be done if we are to preserve intact every part of this great Commonwealth and for the preservation of freedom.

And having said that, I now come to one other matter, not Charity, Business not Charity, but common sense. Those coloured races one after the other asked us to go back to our countries and ask Canadians to do our part in the mobilization of a great economic assistance plan to hold back the forces of Communism. You say there is no danger. A year ago India said there is no danger; the other day in elections it was found out that 30 Communists were elected to the New Parliament. Communism is on the march in India, and if India falls to Communism Asia falls to Communism.

We talk about "H" bombs and weapons. The great H-weapon that is used by Communism today is hunger. Only the other day Mr. Paul Hoffman, the great American business man turned world-philanthropist, made this statement: Communism would never have over-run China if the United States had gone into China with a rural reconstruction programme, and had spent one billion dollars in 1945. Action then would have saved thousands of lives and billions of treasure.

In other words, you can not, and you never can secure the support of people who are poverty-stricken and fearful by the promise of any democratic principle.

That is what the Colombo Plan is doing today, giving them a new opportunity in India and in Ceylon, Pakistan, Malaya and British North Borneo, planned on great proportions, as the years go by and the days pass and Communism marches over Asia, we become more apathetic, Communism, masquerading as nationalism, is on the march in Asia, in India, Pakistan, Ceylon and Burma. A raised standard of living is one of the answers. These countries require facilities to extend their food production—they need machinery and farm implements. Russia realizes that something must be done along this line is contributing 300 million dollars to China in order to raise the economic situation in China.

Those are but a few practical suggestions today in order to bolster the Commonwealth today in all parts of the world to meet the onrush of Communism everywhere in the world.

I am not going into the Pacific Defence Pact, but I do believe this, we in Canada with our international horizons lifted, must realize that when any part of this Commonwealth is in danger, we are in danger, and when Australia and New Zealand today stand in the line of Communist advance, nothing we can do would give them greater powers of resistance than to tell them we stand with them. You say that is far away and we should not take responsibility there. Well within the last three or four months we have accepted responsibilities under NATO.

Finally, members of this Club, I believe that if the Commonwealth is to be preserved, we must mobilize the things of the spirit. It is because I believe that, that I have been a constant advocate for a Bill of Rights in order to assure within our own country, under law, the freedoms that are ours, and above everything else we must end discrimination, which is the most powerful mobilizing influence which Communism has.

Discrimination anywhere within the British Commonwealth on the basis of color, can only be a prelude to the extension of Communism. Those people don't fear tyranny today, they have always had it. On the other hand, they do in the nationalistic march of today, above everything else, condemn anything which denies to them equality, denies to them the opportunity and privilege in equality to stand on their own feet, undenied with that opportunity by color or any other consideration. Anthony Eden summed it up in his speech at Columbia University on January 11th, when he said these words:

"We have unshaken confidence in ourselves and in our free institutions. We take pride in the Empire and in the

Commonwealth, where independent nations in whose fortunes the British have played a major part choose of their own free will to be linked with their Commonwealth partners.

"We see in this family of nations the same instinct for variety in unity for common action without constitutional forms, which has inspired our own political life at home. For us it is the source of faith and the mainspring of endeavour."

What shall we do?

He said,

"First, to build up sufficient strength to deter aggression and to prevent the intimidation of free and democratic peoples.

Secondly, not to overstrain ourselves and our economics so that we give victory to Communism through the back door.

Thirdly, as we grow strong, and when we are strong, to remember and make plain to all the strictly defensive and protective purpose of our armed strength.

"And finally, to seek, by negotiation from strength, settlements of disputes and lasting peace.

"We believe that this is the way out. We believe that our gathering strength can and must be used for peace."

I think the situation is dark. I think there is an urgency for action now among all the countries of the British Commonwealth with the United States. We realize today in this country we can no longer live under the delusion that what is happening in other parts of the world can not happen here. We need faith, we need a mobilization of faith, courageous leadership, the willingness to sacrifice. Above everything else we need some concept of what this Commonwealth can do with its free nations dedicated to the principles of equality of nations without regard to race. Above everything else, the Ark of the Covenant, freedom not only within their own nations.

Pericles said, the secret of liberty is courage. The British Commonwealth showed that courage in the past. It must show it in the future not only in faith but in deeds.

The United Nations greatest achievement, the League of Nations with a record on the credit side too of achievement, they had their failures. The British Commonwealth alone, having stood for freedom, today in all parts of the world is mobilizing again, not for offence but to preserve freedom. It is in that spirit today I have spoken to you, Mr. Chairman. I believe that the greatest agency in the world, in co-operation with the United States, to preserve freedom is in strengthening the bonds of this Commonwealth and not of weakening them.

THANKS OF THE MEETING were expressed by Mr. H. R. Jackman, Second Vice-President of The Empire Club of Canada.

"IF YOU'RE TOO BUSY TO GO FISHING–YOU'RE TOO BUSY"

An Address by

PETE McGILLEN
Outdoors Editor, The Telegram

Thursday, April 3rd, 1952

CHAIRMAN: The Third Vice-President, Mr. John Griffin.

MR. GRIFFIN: Members and Guests of the Empire Club of Canada: We are to hear an address today by Mr. Peter McGillen, outdoors editor of The Telegram. (Sorry to be so formal Pete, but the dignity of our Year Book, in which these words will appear, demands that I call you Peter at least once.) Mr. McGillen is the only full-time wildlife editor on the staff of any paper in Canada. A former city editor of the Peterborough Examiner, he began writing for The Telegram in 1949 and his widely-read column now appears on Tuesdays and Fridays. An ardent conservationist, he is noted for his efforts to awaken city people to the crying need for proper care of the priceless natural heritage God gave this great Dominion. An able conversationalist, he is well qualified to converse about what he would have us conserve. Pete McGillen!

MR. McGILLEN: Mr. Chairman, Reverend Gentlemen, and Gentlemen:

Every time I get in front of an audience, I think of a little boy who was selected to be valedictorian at a high school commencement. He had memorized his speech, he knew it from A to Z. He started like this: "Mr. Chairmain, ladies and gentlemen, Abraham Lincoln is dead". Then he stopped, he had forgotten every word he intended to say. He tried a second time, "Mr. Chairman, ladies and gentlemen, Abraham Lincoln is dead." Still it wouldn't come. In desperation he tried a third time, "Mr. Chairman, ladies and gentlemen, Abraham Lincoln is dead — and I don't feel so good myself."

The reason I feel like that little boy is because of a menace you have here in Toronto. It is one you should warn us outlanders about — the taxi drivers. Strangely enough, these same taxi drivers go to heaven when they die. I learned of it this way: Two clergymen died and went to heaven — as was to be expected. The first walked up to St. Peter, and St. Peter said, "What did you do on earth"? "I was a clergyman." "How long?" asked St. Peter. "40 years". Then St. Peter said, "Stand over there, I'm too busy to deal with you right now." The next clergyman stepped up and went through the same routine. "What were you on earth?" "I was a clergyman for thirty-five years." "Stand over with that other fellow, I'll deal with you two later."

Then in bounced a third customer. He walked up to St. Peter, who said, "What did you do on earth?" "I was a taxi driver in Toronto", the newcomer replied. "How long?" "15 years". With that, St. Peter said: "Go right in and take the best seat in the house." When the two clergymen heard this they were provoked, and rightly so. They walked up to St. Peter and said: "This is an outrage. We devoted our entire lives to the glory of God and saving souls from the devil. In walks an ordinary taxi driver, and he gets the best seat in the house, while we're kept waiting." St. Peter said, "I'll have you two gentlemen know, that that taxi driver scared the devil out of more people in 15 years than you did in 75."

And after dodging them for three years I'm inclined to agree with him.

I just returned from a trip to Cleveland. I went down there to see what kind of a Sportsmen's Show they had. I discovered that their main show was not even as large as the boat show at the Toronto Sportsmen's Show. They said they hoped to sell 150,000 admissions during the week. I'm certain that almost a quarter of a million saw the show right here in Toronto. I have heard so much about American aggressiveness and business ability, that it is heart-warming to note that the good Canadian business judgment of Frank Kortright, Clive Betts, Mr. Morrow, and my good friend Tracy leMay, with a few others, have produced the best sportsmen's show in North America. Gentlemen, you can be proud of them.

America, the United States, is a strange country, strange in that it is one of the few countries with two capitals, Washington and Key West. I can't get over their money problems; in Cleveland they wouldn't accept Canadian money, but when I came to Buffalo, a sign over a gas station said, "Canadian dollar worth $1.02 at this station."

I have never met a Democrat, I don't know how they ever manage to elect a Democratic President. Perhaps only the Republicans have enough money to spend a holiday in Ontario. The odd thing I noticed was their animosity towards President Truman. I hold Mr. Truman in high esteem, as I did his predecessor, Mr. Roosevelt. This animosity seems to have extended into the army. A colonel was addressing an American regiment in Korea and he said, "Gentlemen, tomorrow we hit the enemy. Tomorrow we see action. Are there any questions?" A G.I. spoke up and said, "Yes, sir, I would like to know how to tell the difference between a North Korean and a South Korean". "Now that's a good question", replied the Colonel. "Perhaps I better answer it with an illustration. Let's say you are in a fox hole on one side of a heavily-travelled road. You hear someone in a foxhole on the opposite side of the road. You don't know whether it's a friend or enemy. Just call out 'Stalin's a so-and-so' If they are friends they won't shoot." The G.I. replied, "That's very simple," and the unit went into battle.

A week later, the Colonel was inspecting a casualty clearing station when two corpsmen carried in a wounded soldier. It was this same G.I., and believe me, Gentlemen, he was a mess, all mud and blood and cuts. The colonel exclaimed, "What in the world happened to you?" The

G.I. replied, "Colonel, it was just the way you said it would be. I was in a foxhole at one side of a road. I heard a noise on the other side, and I yelled 'Stalin's a so-and-so.' The other fellow yelled back, 'So is Truman'. I jumped out to shake hands with him and some jackass ran over me with a jeep."

I would like to take a few minutes to tell you about my job, if for no other reason than to make you envious. Surveys in the United States have shown that sportsmen spend more in one year than the total revenue from all gasoline stations. They also show that 85 per cent of newspaper readers are interested in outdoors topics, from the apartment dweller with his window box garden to the big game hunter. You can take all your rugby players, your hockey players, your baseball players and your lacrosse players, add to that number every man, woman and child who pays admission to those games; lump them all together and you haven't one third the number of people who are interested in hunting, fishing, vamping, birdwatching and the many other non-competitive outdoor pastimes. But how much consideration does this great galaxy of readers get in the newspapers today? Ten years ago there were nine outdoor columns in the newspapers of Canada. Today there are 33, not even one in three. You may take what I am going to say as a plug, but it is nonetheless a fact, that I am the only full-time outdoors editor on any newspaper in Canada, and it seems to me that my chief, is the only newspaper publisher in the country who realizes that everything we eat, almost everything we wear and 90 per cent of our building materials, come from the top ten inches of the soil. We are not teaching our children today of the fundamental rules of conservation of our natural resources. We are doing a good job of teaching them that everything comes from industry, and there are times when I wonder just what we are teaching them. In an east end school a few days ago, a teacher asked a 12-year-old boy "What was the great anniversary observed last year?" The boy stood up promptly and said, "Labatt's Golden Anniversary."

I am fortunate in having a job that does not interfere with my fishing and hunting, but if the time ever comes when it does, I will write another column—and I won't write about the wildlife outside of Toronto, and believe me I won't miss those outdoor theatres. Outdoors Editors have more to do than just write about hunting and fishing. They have the responsibility of trying to keep urban dwellers from getting mixed up in their sense of values. I was born on a farm, and a few days ago when walking up Yonge Street I had reason to recall it. I looked into a shoe store window and saw a beautiful pair of men's shoes. Beside the shoes was a showcard that read, "The ultimate in foot comfort — $22.95". My mind did a flashback to the days when I was five years old. Our farm was a quarter mile off the main road, and it was my job to go down to the corner and get the mail from our mail box. I remember one hot July day walking down that stretch of dusty, sandy country road. The sand like velvet, oozed up between my toes. I came to a spot where towering elms cast a shadow over the road. Here I found the sand was cooler, so I dug my toes down into the sand and found it even more delightful. I walked on down and got the mail, then walked back, revelling in that pleasant walking, enjoying to the full every step I took. Gentlemen, that was the ultimate in foot comfort, and it didn't cost a cent.

Gentlemen, conservation is a word that has wide application and meaning, but in the last five years it has become a hackneyed, much-abused term, glibly used by many who hunt and fish, few of whom have any idea what the word means or what it entails. To some short-sighted naturalists, conservation means not killing anything, of saving everything. But do you realize that you can let a tree stand until it rots and has no value. There are hunters who think that conservation means a bird in the hand is worth two in the bush, so they break every law and take all they can before someone else beats them to it.

Conservation means wise use, intelligent management of our renewable resources, that which will do the most good to the greatest number over the longest period of time.

And it has other applications. Conservation applies especially to each of you in the matter of health, proper care to assure that you will have the maximum of content and happiness for the longest time.

Modern wildlife management means, 5% wildlife management and 95% managing wild people. This is an unfortunate situation but true nevertheless. Modern wildlife management puts the emphasis on improving the habitat of fish and game so that Nature has help doing the job she can do better than anyone else. Artificial devices in the main have not proven successful. Even hatcheries are not the answer. They have been found too expensive, but today hatcheries are the opiate of the people, when the government would much sooner spend the money on habitat improvement. The answer is to help Nature.

The one instance where man seems to have improved on Nature's programme is in the propagation of muskies.

So many stories have been told about this fabulous fish, that when Americans came up here, they figure if they tangle with a muskie and don't break an arm or lose a finger, they are lucky. I've met many of these Americans in my home town of Peterborough. One had a police billy in his hip pocket — another was carrying a standard softball bat which after all is good equipment if one is going after muskies. The third had a Luger pistol. He reached into a shoulder holster, pulled out the gun, and said, "McGillen, no muskie is going to get away from me." It didn't. Eight shots through the head of the muskie, and the bottom of the canoe, and he swam ashore towing the fish.

Shortly after the ice has gone out of the lakes and rivers, the muskies pair up and move into the shallow waters to spawn. They will swim right up into a flooded farm field in less than ten inches of water. The female lays the eggs or the spawn and the male swimming along beside her deposits a milt or sperm on the spawn. The sperm must touch the egg within a very short time, otherwise fertility does not take place. After the spawning, the fish swim away, and leave the spawn to be preyed on by every fish in the shallows, sunfish, perch, rock bass, mudcats, suckers, bass, pickerel, pike and even other muskies. Shore birds and turtles also feed on the eggs. Because of this high degree of predation, we only get about a 25 per cent hatch under the best conditions. The fertile eggs are down in the crevices of stones or in deep weeds. In about 12 days, depending on the temperature of the water, the eggs hatch out into what is known as a tiny fry or minnow. To each fry is attached a food sac, and for the first two weeks of its life the little fish is nourished by absorbing the food in this sac into its system. Then it starts to feed on single cell animal plankton, tiny water fleas, water beetles and up the scale of marine life, until three or four weeks has gone by when it is a fingerling, three or four inches long. By that time it is feeding on other minnows. Only the yellow pickerel is more carnivorous than the muskie. It must be deposited in the egg stage, otherwise the tiny fry would eat each other. From the cradle to the grave, so to speak, 98 per cent of everything the muskie eats is other fish. You may wonder what the other two per cent consists of. A muskie will eat swimming mice, tiny muskrats, and wild ducklings. An old guide told me he saw a cottontail rabbit swimming. He saw a muskie come up and take it down as a food. Don't let anyone tell you that a rabbit or a squirrel can't swim. They swim well, but only when forced to. At Trout Lake near North Bay, I saw a muskie come out of the water its full length trying to catch a partridge that was flying across the lake. It didn't succeed. Another time, I was trolling in Little Lake in Peterborough. I saw a kingfisher dive into the shallow water and come up with a perch in its beak. A kingfisher pauses momentarily on the surface of the water and flutters its wings to get rid of the excess water. As it did, up came the jaws of a huge muskie, and there was one blue feather left, to show where the kingfisher and perch had been.

The young muskie grows very rapidly. Born in April of this year it will be 9 to 11 inches long by October.

Incidentally, my mind hops back to those Americans. One in particular I remember. He came to Bobcaygeon with his wife. I think you will agree that 99 women out of a hundred are pleasant, congenial, easy to live with, nice to go fishing with. This woman was the exception. She had the worst temper of any woman I ever met. But the old fellow had driven all the way from Cleveland, he was determined to go fishing. He hired a guide and the three of them went out on Pigeon Lake to fish. As luck would have it, the woman hooked the first fish, a muskie. She had never seen one before. The fish came in about three feet deep, and the woman looked over the side of the boat at this underwater monster, a miniature submarine, with the beady eyes of a tiger showing anger not fear, with the head of a wolf except for the ears, or so she thought. The shock was too great, the woman fainted. The guide got excited and shouted at the American, "Will I land the fish, sir?" The husband said, "Nothing doing, let her land her own blankety-blank fish. Sprinkle some water on her and revive her." The guide did as he was told, and believe it or not that woman battled the muskie right up to the side of the boat a second time. As she did, the muskie zoomed out of the water, "stood on its tail", is the expression fishermen use. This was too much and the woman fainted a second time. Well, they had to land the fish themselves, and they came ashore holding this beautiful fish. The woman was still in bad humour — they went home the same day. Six months later I heard the end of that story. The woman had obtained a divorce on the grounds of mental cruelty — and it is the first time in the history of the North American courts that a Kawartha muskie was named co-respondent in a divorce action.

Because of the value of the muskie to Ontario's economy, the provincial government built a hatchery at Deer Lake near Havelock to artificially propagate muskies. To carry out this work, they net the fish in the spring, and after going through a series of nets, the muskies find themselves in a holding or pound net. The operators go alongside these nets in flat-bottomed boats, river driver's punts. In the bottom of the boats are large white-enamelled dishpans, spotlessly clean.

Now just imagine that I have a female muskie in my hands. I am wearing white cotton gloves, soaking wet so that I won't harm the fish. I run my thumb and forefinger of my right hand down the stomach of the fish towards the vent. If the spawn is ripe, it pours out into the dish. Then very carefully, and quickly, the female is returned to the net, and a male fish is taken out. It is stripped of its sperm or milt in exactly the same manner. Water is then poured into the dish. A few white infertile eggs float to the surface. The rest is a yellow golden mass of fertile spawn. This is then taken to Deer Lake Hatchery, placed in huge glass jars, much like the candy jars that were common in grocery stores 30 years ago. Water is flowing through the jars, and the eggs are kept there until they hatch into the little fry I told you about. Then the fry is transferred to screened trays with fresh water flowing through them and kept there until the food sacs are absorbed. Then 80 per cent of the fry is returned to the lakes, from whence the spawn was obtained and deposited as new stock. The idea being, that the larger a fish is on deposit the better chance of survival it has. Into those ponds is poured thousands of soft sucker minnows and thousands of soft carp minnows. Also, they place limbs of trees with heavy foliage to hide one little muskie from the other. Even with all this food, and the tree branches, they only get one fingerling for each ten fry, the others have been eaten up by their brothers and sisters. Then the fingerling are deposited in the lakes as new stock, being placed in the heaviest weed cover where they will have the best chance of survival.

I shouldn't pass up a chance to tell you a story about two of your own members. I'm sure they would have told you before, but perhaps they figured you wouldn't have believed them. It concern Tracy leMay, whom you all know is active in the Toronto Anglers. He has been a friend of mine for some time, and the other member is Bill Bosley, who wanders around the country helping municipalities with their assessment problems. I tried to tell Bill that his name should be Beausoleil — beautiful sun. They came to Peterborough, looking for muskies. I sent them out to Pigeon lake, where they rented a canoe and started to troll. They trolled for six hours and didn't even get a nibble. Suddenly Bill, who was in the back of the canoe, said to Tracy, "What time is it?" Tracy took out his watch, a nice stem-wound job, probably a Westclox. But just then Bill dropped his paddle and in reaching for it gave a lurch, and away went the watch into 40 feet of water. They went home minus the watch or fish and very disgusted.

Next July first they were back at Pigeon Lake again. They rented a canoe, dropped a bucktail troll into the water, and had not been trolling more than five minutes before they hooked what must have been the grand-daddy of Pigeon Lake muskies. It was so large they couldn't land it in the canoe, so they slugged it over the head with a paddle, towed it ashore and hauled it up on a sand beach and stood there admiring it.

Suddenly Tracy noticed a lump just back of the gills — but before I proceed I better tell you how a fish breathes. It takes water into its mouth, passes the water through its gills which move back and forth like the leaves of a book. The gills remove the oxygen allowing the fish to live, and the water passes out under the gill covers. In other words, the gills of the fish are the lungs of the fish. Well, when Tracy noticed this lump, he let out with some big words. He said, "Bill, you can't eat that fish, it's got sarcoma or carcinoma, or some parisitic growth." But Bill is the type of fellow who never wastes anything, so he took out his jack knike and dug into the lump. He found the watch they had lost the year before — and that fish breathing had kept that watch wound up and it only lost one minute in 12 months.

One of the main reasons why the muskies are not too numerous in Ontario is because of human greed and selfishness and the indifferent and lenient view far too many people take of infractions of the fish and game regulations. The man who robs a grocery store or your neighbour's car is a thief and is regarded as such. The poacher is in the same category, but he is also stupid, because he is stealing from himself — he is cutting off his own nose.

Another sample of our indifference and neglect is the condition of the trout streams in southern Ontario. First we removed the forest cover, that stimulated flash floods, followed by drastic reduction in volume of flow and high water temperatures in summer, erosion from the water sheds and in the main banks lead to silting of gravel riffles where the trout usually lay their eggs. It also leads to filling of deep holes, leaving the stream short of spawning beds, food and cover. These are the conditions that limit trout production in southern Ontario. Then to add to the trouble we have widespread pollution. A half century ago there were thousands of good trout in streams, but in another quarter of a century these same streams are not only going to be useless for trout production, but are also going to be open sewers because of pollution. We have no legislation to curb this pollution effectively. I do hope that within the next few years that suitable legislation is enacted to stop this modern day curse. It takes a long time to correct such conditions, because we didn't take precautions down through the years.

There's a parallel to that picture and it concerns many of you.

You know the odd thing about human beings is that they are all rugged individualists. Nothing can happen to them, it always happens to the other fellow. In this mile-a-minute economy we have created, we have a monster that is forcing us to live in tune with it. We are victims of this civilization, not happy parts of it. Far too many businessmen, and I do hope you don't think I am being presumptuous, just because I say you lay too much emphasis on profits and pay too little attention to your health. I submit to you that I have discovered the way to live. We can't all be outdoors editors, so I'm going to take the liberty of telling you a few plain facts.

Conservation of health is paramount if a man is to have happiness and contentment. The deterioration of a trout stream is just what is happening to many of your bodies — pressure, work, hurry, push, speed — all part of our modern day living. These are the factors that lead to coronary thrombosis, hypertension, gastric ulcers and nervous breakdowns. You can avoid all these by systematically adopting a policy or programme of resting and playing in this Florida in Ontario, right at your door. Two weeks or a month in Florida during the winter is not enough.

The onset is insidious. It is the old story of Nature not being heard, you pass up the warning until it ruins your disposition, your will and your thinking power. The first thing you know you are a medical cripple.

There are far too many of us who think all we need do to restore the former abundance of nature is to rub some mysterious Aladdin's Lamp. Gentlemen, there is no magic way to restoration. It is a long hard trail and the longer corrective measures are delayed the more it will cost and the longer it will take. Nature won't be hurried.

Similarly the longer you delay establishing good living habits the more it will cost you in the end. Believe me, there is no panacea, no cure-all. These fine doctors we have in Toronto, can't work miracles. You have to help them as you go along.

And that is just what I am going to tell you about today. My prescription is pleasant. Did you ever find an out-of-the-way trout stream, not a soul near you, a purling, rippling stream, and all about a great symphony of music in your ears? The stream is pure and clear, you know the trout are waiting, challenging your skill, the unexpected can happen. You drop a fly carefully — let it fall like a wisp of tired smoke. As soon as it touches the water, whammo you have a trout! The fight is on. The beautiful coloured body flashes in the stream. Do you mean to tell me that at such a time you are going to worry about whether the stock you bought is going up! I defy any business worries to enter your pleasant state of mind.

Or perhaps you are in a boat. You toss a bass bug — see a bronzeback zoom out of the cool depths and smack that lure, then dance on its tail across the water. The rod bends, the reel sings, and worry and pressure, gentlemen, are a million miles away.

Do you think you would worry then about whether you are going to get that contract?

Or it could be a tackle-smashing pike or muskie, that will take all the line of the spool of your reel, then lie on the surface 70 feet away and look at you with baleful eyes as if to say, "Just try and reel me in!"

Gentlemen, you are so far away, so far removed from worry that it is ridiculous to make a comparison. My advice to you is to do those things. Go back to your boyhood, revel in all those carefree jaunts and experiences you had as a kid. These are the medicines your doctor will prescribe in liberal doses to ward off disease.

I sometimes think many of us are like a certain Mr. Smith who used to go to New York on business. He would never take his wife with him, and many the time he remarked that New York was the deadest place in the world. "All I do all day is make my calls, then read a magazine until I fall asleep."

One day he told his wife he was going to New York, to have his bags ready. When he was ready to go, his bags were packed, but his wife had packed hers too. He said, "What's the idea?" His wife answered: "Well, I've always wanted to go to New York, I think it would be fun." "You'll be sorry", Smith replied, "New York's the deadest place in the world." But she went, as wives usually do when they make up their minds.

They arrived in New York, took a hotel room, and the next day he went out to make his calls. He returned at night carrying a magazine. His wife said, "You can throw that book on the chesterfield, we're stepping out. I found a night club advertised."

Smith said, "I never could find any fun in New York", but by this time his wife had called a cab. When the cab stopped at the night club, the doorman opened the door, Mrs. Smith stepped out, but when Smith got out, the doorman said, "Why, Mr. Smith, I didn't expect to see you back so soon." The wife raised her eyebrows but said nothing. When they went up to the hat check girl, she said very sweetly, "Good evening, Mr. Smith; so nice to see you again." Then down to the dance floor where dinner was served. Over came the head waiter with outstretched hand. "Well, well, Mr. Smith, my best customer, same table, late supper, some champagne." Smith nodded his head, and still Mrs. Smith was silent. As they were eating out came the line of chorus girls to do their song and dance. As it happened they had to pass Smith's table on the way off-stage. The last one in the line, a tall stately brunette, reached over and patted Smith on the back saying, "Hy, Smitty, are you going to buy champagne for all the girls again tonight?" Mrs. Smith almost choked and the head-waiter noticed Smith was uncomfortable, so he said, "Do you want your cab, Sir?"

As soon as they were in the cab, to lapse into the vernacular for a moment, Mrs. Smith blew her top. She said, "You cheat, you double-crosser, you two-timer, I'll never believe you as long as I live, I won't, I won't, I won't!" The cab driver, hearing the commotion, turned around, pushed the curtain back and said, "Say, Smitty, let's get rid of this dame, and get one that will believe you."

Smith thought he was fooling his wife, when in reality he was only kidding himself — and that's just what too many of us are doing as far as our fish, fur, game and forests are concerned — and also as far as our health is concerned.

Gentlemen, I'm no alarmist — I don't work for that kind of a newspaper. But statistics will show you, if you take the trouble to look, that many, many of you are heading for a lot of heartaches later in life because you are not being as sharp about your health, as you are about your business.

Deputize your responsibility, exercise only token control. Give more responsibility to those younger up-and-coming boys under you. Make your employees take holidays too. A sick employee is a liability. His efficiency is cut in half, and the bad effect he has on the rest of your employees makes it important for you not to have him there.

Democracy implies responsibility. I don't need to remind you that you are fortunate to be living in this democracy. Therefore conservation of natural resources is your responsibility — conservation of health is your business.

Gentlemen, if you are too busy to go fishing, believe me, you are too busy.

THANKS OF THE MEETING were expressed by Mr. Tracey LeMay.

"REPRESENTATION ABROAD"

An Address by

KENNETH ALFRED GREENE, O.B.E.
Canadian Consul-General, New York, N.Y.

Thursday, April 10th, 1952

CHAIRMAN: The Third Vice-President, Mr. John Griffin.

MR. GRIFFIN: Members and Guests of The Empire Club of Canada: We are to hear an address today by Mr. Kenneth Alfred Greene, Her Majesty's Canadian Consul-General in New York. A native of Ottawa, after service overseas with the 38th Battalion, Canadian Expeditionary Force, Mr. Greene entered the General Insurance business in that city in 1919. He has held many positions of importance including those of Governor of Carleton College, President of the Rideau Club and President of the Children's Aid Society of Ottawa. For outstanding work in the national service during the second world war Mr. Greene was awarded an O.B.E. in 1946. The following year he assumed his first Diplomatic post, that of Canadian High Commissioner to Australia. Just over two years ago he entered upon his present duties as successor to Hugh Scully in New York. By the very nature of their work we seldom have an opportunity to hear an address by one of our own distinguished diplomats. It is therefore an especially great pleasure to call on Mr. Greene to speak to us now on the subject "Representation Abroad."

MR. GREENE: Mr. President, Distinguished Guests and Gentlemen: I would like first of all to thank you, Sir, for the all too flattering introduction that you have given me and for the very warm welcome you have extended to me while I am here in Toronto, where I for many years have felt at home.

And I also am very glad that you mentioned the fact that here today is my predecessor, Hugh Scully, through whose efficient representation of Canada in New York the work of his successor was made much easier.

It is a great privilege for me to speak before this Club among whose members I count so many acquaintances and friends.

In the past you have had as your guests many eminent and eloquent and distinguished men to address you on public questions of importance in the life of our country. I am sure you are wondering why the Consul General of Canada in New York should now be added to that list, and I admit that I share your wonder.

As I look around me and realize that I am among men who have played a distinguished part in the business, professional and political life of this country, I am reminded of a story which perhaps some of you have heard before, but because it so exactly expresses my feelings, I am going to risk repetition.

That story is of an inebriated gentleman, teetering on the side of the lake in Central Park in New York, on a bright moonlight night. He was seen by a patrolling policeman who went to his rescue, and said, "Move along, my man, move along." The unsteady gentleman said: "All right, officer, all right, but just answer one question." The officer said: "Well, what is it?" At that point the man pointed down at the shimmering surface of the lake and said: "Is that the moon I see down there?" The officer said: "Yes. Now move along." And the man said, "But one more question." The officer said: "All right, what is it?" The man said: "Will you tell me how the devil I got up here?"

Most of your guests were free to speak their minds on any subject, anywhere and at any time. In my case the situation is somewhat different. A Civil Servant must leave to his political chiefs the discussion of controversial questions and confine himself to a tale of his duties and his experiences. You will not hear from me any startling views on national or international policy, but there is one subject on which I can speak frankly and that is the experience of your representatives abroad, and more particularly in my case, in Australia and New York.

I have been most fortunate in the posts which I have held. Australians and Americans have pretty much the same definition as Canadians of what is great and good in the human character. They admire the same qualities as we do, and like the same type of leadership. They have similar constitutional problems and they have the same task of harmonizing local interests and rights with national interests and duties.

In some countries, diplomatic and consular officers and their staffs are regarded by those among whom they serve with suspicion similar to that of the backwoods yokel who was asked by a troubled newcomer whether there was a criminal lawyer practicing in the vicinity, and his reply was: "We suspect there is, but we haven't been able to prove anything yet."

Now I know that is not the attitude of Canadians towards their foreign service, and in order that it may never be, I think it is vital for all Canadians to know who is representing them abroad, and particularly how they are being represented. There is nothing mysterious or secret about this aspect of governmental service.

The fundamental aim of our foreign policy is part and parcel of our national aspirations. This policy should be so attuned to our domestic purposes that it echoes the hopes and ideals of the nation. The enormous projects which are now going forward toward the development of Canada into a nation of international consequence are perhaps better recognized here in Toronto than they are in many parts of the country. Many of you know of the magnitude and vigour of that activity because you are playing a proud part in it.

Should another world war come to pass, our very health and strength which is in the making would be drastically dissipated. The prevention of such a terrible tragedy is the principal aim of our foreign policy. My Minister, recently said: "Peace, I know, is in a sense, more of a prayer than a policy. If so, it is a prayer which is in all our hearts and every move we make in the difficult days ahead must be devoted to its realization."

With this fundamental aim of our external policy in mind, we can see that a strong and healthy Government Foreign Service is an important element in the growth of Canada, along with a stable and flexible economy, sound industrial development, and a vigorous, alert population which is adequate to develop our national resources. If we are to maintain the right kind of a foreign service, it can only be done because Canadians want that kind of service, they realize and recognize what it can do for them and for their country.

Let us look for a few minutes at the men and women who are Canada's representatives abroad. Briefly, the diplomatic representative abroad serves as a symbol of Canada's sovereignty and of the absence of hostile relations between Canada and the country to which he is appointed.

The Head of Mission is subordinate to the Department of External Affairs of the Government of Canada, and on questions of policy, he acts only on instructions from that Department. The officers and staffs of all our missions are comprised largely of permanent civil servants appointed from Ottawa and subject to transfer periodically to other posts or return to Canada. Supplementing this nucleus formed by the Department of External Affairs, there are, at some posts, representatives of other government departments. There may be commercial, immigration, military, agricultural, fisheries, financial or other officers attached to a mission. The work of these officers is supervised by the Head of Mission, although they also send reports directly to their own departments at Ottawa.

Some people are under the impression that the career of a Canadian Foreign Service Officer is an unending journey in Striped trousers, through glamorous and exotic lands, leisurely luncheons, luxurious cocktail parties, gay receptions and balls, and colorful parades. True, we have to attend more of these functions than most of us would desire, but a better picture of the Canadian Government employee abroad would show him living modestly with his family, working hard in an ordinary business suit, making the most of standards of living which are not as high in many foreign countries as they are in Canada.

Put yourself for a moment in the position of one of these people—not an Ambassador nor a clerical worker, but about half-way in between—in the position of a junior officer.

He has behind him a university education, probably a few years military service, a few years of business or academic experience, a year and a half of training in Ottawa and three years at a foreign post. He is married. He has young children. He is informed he should prepare himself for transfer to another post or to return to Ottawa. What does this mean? It means pack up and move. It means dislocation for his family, who never have had a permanent home. It means that the education of his children is interrupted. It may mean exposure to an unhealthy climate. It means house hunting, hotels, tedious train trips or ocean voyages and still another language to be learned. This is an aspect of the service, of course, which is not often stressed.

But, you may say, surely these men knew all this when they joined the foreign service. Surely there must be something in it for them—and you are right—they knew all of this. And there is a great deal in it for them. There is an opportunity to serve their country in a very real sense. There is a challenge. There is a wider education for the whole family and new fields of friendship to be won. And there are rich rewards in the scope of the work which allows ample areas for the exercise of individual initiative.

Today, Canada maintains some seventy-two posts of varying size in forty-four countries. Not so many years ago, British representatives acted for Canada in all but a

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few countries, and they are still doing so in certain areas where we have not yet established separate relations. The first Canadian representatives were sent abroad to meet urgent needs at home—among them a need for more people. So loud and urgent was the call for people to settle the vast Canadian hinterland that when Sir Alexander Galt was appointed our first High Commissioner to the United Kingdom in 1880, he had specific instructions to promote emigration from the British Isles and Europe. At about the same time, the great search for external markets began—gathering momentum as the production of our primary industries increased. In time, this steadily mounting burden became too heavy for some of the British representatives, and, in 1892, the first Canadian commercial offices abroad were opened in the British West Indies. As the new nation gained in strength and stature, it was called on to play a part in international organizations and diplomatic negotiations. External relations assumed such an influence and importance in the internal administration of this country that Sir Wilfred Laurier in 1909 claimed Canada had reached "a standard as a nation which necessitated the establishment of a Department of External Affairs". This process was the inevitable external expression of internal developments. In a similar manner, the increasing areas in which the interests of Canada and the United States coincided or collided made almost inevitable the establishment of a mission at Washington. In 1917, Sir Robert Borden said in a despatch sent to Lord Milner through the Governor General: "Consideration of questions between Canada and the United States and the necessary action thereon constituted two-thirds or three-quarters of the work of the (British) Embassy . . . My advisers have reached the conclusion that distinctive representation should not be longer delayed." The Canadian Legation at Washington was established in 1927.

The very brief summary I have just made of the beginnings of our external relations is sufficient, I think, to emphasize the fact that Canadian posts abroad were brought into being by insistent, sometimes urgent domestic requirements. It may also serve to illustrate a few of the primary functions of our foreign service. The basic reasons for an exchange of representatives between two countries is the need for a direct channel of communication. Most of our missions are relatively small in size, varying according to the amount of intercourse with the country concerned, what can be accomplished by an exchange of representatives, and our ability to finance and staff new posts abroad.

I would like to tell you a little bit about your representatives at New York because their work is similar to that of all the other posts, differing only in emphasis and volume as Mr. Scully will bear me out. You may also find it interesting because our activities in New York are very closely associated with yours here in Toronto.

The duties and responsibilities of the Canadian Consul General in New York are to direct and synchronize the work of the various branches of the Consulate. He and his wife represent Canada at many official functions and have numerous opportunities to bring together in friendly meeting many Americans and Canadians who are typical of their respective countries.

New York is often called the business and financial capital of the world. Certainly it is one of the vital commercial nerve centres where the Canadian-American trade which is so important to our economy can be stimulated. We place particular emphasis on this aspect of our work and the Deputy Consul General is one of Canada's senior Trade Commissioners. He is an extremely busy man—occupied with the location and servicing of markets for Canadian products, offering assistance to American firms who plan to open branch plants or offices in Canada, American investment in Canadian ventures and an infinite variety of related and similar subjects. He has an Assistant Trade Commissioner who works with him, and who is, of necessity, a trained, proven and experienced Canadian salesman. We have another senior Trade Commissioner who specializes in the promotion of Canadian fish and fish products, and who seeks markets throughout the entire United States.

The immense volume of trade between Canada and the United States and the consequent flood of inquiries about customs and excise duties, revenue regulations and taxes, made necessary the appointment to our staff a few years ago of a Customs Information Officer from the Department of National Revenue. This officer answers hundreds of questions every day and the qualifications for his job appear to include the ability to simultaneously conduct an interview with a deaf widow who wishes to ship her husband's body ("human remains" is the official term I believe) back to Canada for burial, dictate a letter to a manufacturer who has asked the duty on a shipment valued at hundreds of thousands of dollars, at one and the same time, and, at one and the same time, placate an irritated telephone caller who wants to know why, if her pet Fifi is good enough for New York, the poor little dear has to be vaccinated against rabies before she can take it to Ontario with her.

Some people say that New York is also the cultural capital of the world. That claim is, of course, open to argument, but few people would deny that it is the pivotal point for the dissemination of information through mass media. Many of the great world-wide news syndicates have their headquarters there. The great American radio and television networks fan out from New York. Many of the world's most widely read magazines are published in our area. To promote the good name of our country through these media and to protect the interests of Canada and Canadians we have two Information Officers and a staff of assistants. Their guidance is sought by editors, authors, program producers, newspapermen, school teachers, students and a host of others. Enquiries about Canada come from every imaginable source and they are steadily increasing. We have had great success with ideas, articles and photographs placed with these syndicates, publishers and producers. Two outstanding events in recent years were the formal visit of a Royal Canadian Naval squadron to the port and the arrival of the Canadian jetliner on its first flight from Toronto to New York. Both of these visits received front-page treatment and a prominent place in radio and newsreel coverage. You will be interested and proud to know that the R.C.N. squadron stayed five days, and the personnel numbering 1,500, by their magnificent behaviour, made a very great impression on all who met them. They were fine and effective ambassadors of our native land.

In order to effectively place and distribute Canadian motion pictures, the National Film Board maintains an office in New York, and with that office our information activities are carefully integrated. As part of the Consulate General, and working in this field, is the Canadian Government Travel Bureau office which was born of the voluminous demand for tourist information and the need to encourage and develop the tourist traffic so important to our national economy. The Travel Bureau has been appreciated by those who have learned through it of the attractions of Canada as a place to visit, and it has been the means of many deciding to make Canada the place to spend their holidays.

I am glad to have this opportunity of acknowledging the co-operation which is so generously given to the Consulate General in New York by the Provincial offices located there, by the staffs of the Canadian railways, Canadian airlines, steamship companies, Canadian banks, by many American Companies with large Canadian interests, and last but not least, the Canadian Society of New York, the Canadian Club of New York and the Canadian Women's Club of New York.

Important as these aspects of our work undoubtedly are, I am convinced that of even greater import is the purely representational side of our presence in New York. Senior members of the staff are frequently called upon to speak at public ceremonies and all members of the staff participate in the social life of our area. It is therefore essential that every Canadian employee abroad be conscious of this aspect of the work at all times, and that employees who are selected so to serve, should be of such character and quality that they will not "let the side down".

For example, our offices at New York are located in the British Empire Building, Rockefeller Centre, and I felt a great sense of satisfaction the other day when the chief elevator operator commented on the unfailing courtesy and cheerfulness of the Canadian Consulate General staff. This man's opinion may, in itself, be relatively unimportant, but I like to think that it is shared by the hundreds who have stood in an elevator beside members of our staff and the thousands more they meet formally and informally in the pursuit of their duties and recreations. Because this is the only direct contact of many with Canada and Canadians, it is, to my mind, an important job of public relations. The more formidable side of our representational work involves speeches at public meetings, conferences, conventions, service clubs, youth meetings and school assembles. Our attendance is invited at an endless variety of social gatherings. At these events, Canada and Canadians frequently are assessed according to what our representative says, or does, or by his appearance and manner. The impression created, positive or negative, is the concept of Canada which goes home with those who see, hear or read about the event.

May I here, in this audience of mere males, say what a great part the wives of our representatives play in the field of representational work. Their contribution in this regard in their daily contacts and by the assistance they give their husbands is very great, and no one knows better than I do the truth of that statement.

There are two other officers on my staff to whom I have not yet introduced you. They answer questions on Canadian citizenship, immigrant and non-immigrant entry to Canada, the status of Canadians residing in the United States; they issue passports, authenticate legal documents and administer the Canadian Shipping Act when Canadian vessels put into port in our area; they meet an infinite variety of people whose problems are as varied as they are sometimes perplexing. For instance:

What do you do when a woman, obviously on the verge of a mental breakdown, seeks sanctuary in your office? What is the best course when a well-dressed man announces that just three weeks ago he stole some thousands of dollars from his Canadian employer and that he has come to give himself up at the Consulate because he prefers Canadian police to those he knows nothing of? What to do with a teen-aged girl who refuses to go home to her parents in Canada but who is desperately in need of a friend and financial help? We have had all of them and many others.

I need not emphasize to you business men what an important part good administration plays in a smooth operation. We have an officer in charge of administration. He has to meet all the problems that are common to a departmentalized organization, but his services play a great part in the efficient working of the whole. He has some amusing experiences too. For instance, last autumn when he wanted our locally employed office boy to deliver an urgent communication, he found that the Dodgers were at bat in a crucial innings, and it was plainly intimated to him that the message could not be delivered until the broadcast of that game was over.

That concludes my introduction to the men and women who are at your service in New York, and my account of what they are doing. In other countries, their contemporaries are serving Canada in similar capacities. Theirs is not a thankless task by any means, but they do need the continuing encouragement that can only come from a well-informed public at home. No one can estimate with any degree of accuracy the potential of our natural resources, but let us not forget that the greatest resource of any nation is to be found in its people. Canada's future is not buried beneath the ancient rock of the Pre-Cambrian Shield. It will be found instead, I believe, in the human potential of our citizens.

Mr. Stephen Leacock, in his book, "Canada, The Foundations of its Future", wrote:—

". . . The discovery of America has begun again. Much of it, and especially of Canada . . . moves from useless desolation to the foreground of human interest

. . . This alters entirely the outlook of the world towards Canada . . . it is now as if the globe had shifted on its axis and tilted Canada towards the sun."

The sun is shining on Canada today and we must not forget that the world, searching for sunlight, is watching our awakening.

The members of our Foreign Service are doing, I believe, a conscientious job and doing it in the finest traditions of Canadian Government service.

THANKS OF THE MEETING were expressed by Mr. Harry Oldham.

"THE STRUGGLE FOR EUROPE"

An Address by

CHESTER WILMOT
Author of "The Struggle for Europe"

Thursday, April 17th, 1952

CHAIRMAN: The Second Vice-President, Mr. H. R. Jackman.

MR. JACKMAN: Ladies and Gentlemen and our Radio Audience over CJBC. We have two reasons to be thankful today, one because of our distinguished speaker and the other because we have with us so many of the charming ladies, who are the wives and friends of members of the club. We hope you will always respond so well to our invitations to attend meetings in the future.

Our speaker, Mr. Chester Wilmot, was born in Brighton, Australia. At Melbourne University he studied history under Prof. Ernest Scott, of whom it has been said that he was more interested in the making of historians than in the teaching of history.

After graduation Mr. Wilmot spent two years going around the world. He had the good fortune of being in Canton when it was first bombed; in Vienna when Hitler made his triumphal entry; at Nuremberg for the last Party Rally; and in Prague and then Berlin during the crisis that ended at Munich.

In 1939 our speaker returned to Australia, intending to read for the Bar. In 1940 he went to the Middle East as a War Correspondent for the Australian Broadcasting Commission and covered the campaigns in Libya, Greece and Syria, spending three months in Tobruk during the siege.

In March 1942, when most of the Australian troops were transferred from the Middle East to the South-west Pacific, Mr. Wilmot went with them to New Guinea.

Since the war he has been responsible for the series of documentary programmes broadcast by the B.B.C., telling from Allied and German documents the "inside" story of the war.

After visiting Australia in connection with the volume he is writing for the Australian Official War History, dealing with Tobruk and Alamein he returned to England for the publication of his first major historical work —"THE STRUGGLE FOR EUROPE".

As Europe is the torn buffer between the Kremlin and the forces of freedom in the Western World, his absorbing book might almost have been called "The Struggle for World Power". As a result of the war the allocation of world power was greatly changed. President Roosevelt strove for a perfection for which all parts of the world were not ready and overlooked the fact that there is never for long a power vacuum. If you remove one nation such as the British Empire, another will rush in to seize power.

I do not know how much of his absorbing story Mr. Wilmot will be able to touch upon but I do know that if it is even ONE part AS INTERESTING as "The Struggle for Europe" we shall be greatly indebted to him.

Ladies and Gentlemen, I give you Mr. Chester Wilmot!

MR. WILMOT: Mr. Jackman, Ladies and Gentlemen: I am most honoured and delighted to be your guest today, and I am, if I may say so, particularly relieved to find myself speaking today on this side of a certain international border, because during the past week or two I have been, as they say, in another place. Where I have found it is almost impossible to discuss the history of the recent past without becoming involved in the conflicts of the immediate future, and that wherever I went, whether I was answering questions or speaking, I found myself on the verge of becoming involved in that contest which is about to take place further south.

I discovered also that about the only matter of any reference to the United States presidency is an incident which occurred on Tuesday when President Truman threw the first ball at the opening of the baseball season, but I am told that even then the political experts, were watching very closely (President Truman is ambidextrous) to see whether he threw the first ball with the right or left. But be that as it may, it is not to this question that I want to direct your attention today.

Mr. Jackman has suggested that I try to outline and develop one or two of the themes that I expounded in my book which has just been published here, and I want to try and do that.

I want to explain, first of all, something of my approach to the task of writing this book. I had been correspondent for the BBC. I had covered the invasion campaign from Normandy to the end of the war, with British and Canadian and also American forces. And at the start I was interested in writing a campaign history to give an account of the part played by the Western Allies in the defeat of Hitler, and particularly of the Second Front controversy. But as I was exploring the material, I came to the conclusion, in 1948, that the world was no longer merely interested in the downfall of Hitler: people wanted to know how, in the process of Hitler's Defeat, Stalin emerged and Russia became the dominant power in Europe instead of Germany.

I have been told by some critics that that was far too ambitious, that anyway Russia would have dominated the European continent once Germany was defeated, a point of view which I do not think bears examination. I do appreciate the fact that there was always the danger that in the process of defeating Germany we would destroy the balance of power in Europe and leave Russia in command of most of the East of Europe, but that danger was probably there pretty well from the start, and it does seem to anyone looking at the course of the war that in the shaping of our policy, particularly our policy in relation to Europe, we should have taken into account right through, the possibility that the war might end with Russia in the dominant position she now holds. And I think to a certain extent this was appreciated. When President Roosevelt came to Quebec in 1943, he carried with him an appreciation written for him by military advisers, in which they said that since at the end of the war Russia would certainly be the dominant power of Europe, every effort must be made to win Russia's friendship. I do believe that every effort had to be made to win Russia's friendship. Where the historian finds himself puzzled is in the methods that were pursued. It seems to me, all the evidence in our wartime dealings with Russia, all we know of Russia, indicate that with the Russians you must be firm, you must not make concessions as gestures of good will, because those gestures of goodwill will be taken as evidences of weakness and make the Russians more intransigent and uncooperative.

This afternoon I will only have time to deal with one aspect of the diplomatic story, but I think it is a significent one, and one which has not been indicated before, and that is this: What was Stalin's reaction to this attempt by the West to win their friendship? What did Stalin think of Roosevelt? What did Stalin think Roosevelt was after? Of course we can't be sure. We can't know for certain what was going on in Stalin's mind, but as we reconstruct the course of Stalin's negotiations, we could think that Stalin thought Roosevelt was endeavouring to make a pact between Russia and America at the expense of Britain and the other Colonial powers, at the expense of the other European allies and the smaller powers. This may seem a rash thing to say, but I do believe if we follow the course of this relationship, we will find if we are not dogmatic about it that there is some substance to this suggestion.

Very soon after Russia entered the war, the President wrote a letter to Mr. Churchill, in which he said that he thought "he could handle Stalin better than either your foreign office or your State Department. Stalin hates the "guts" of all your top people. He likes me better, and I hope he will continue to do so."

In that spirit Roosevelt made his initial approach to Stalin. He believed, or so he told Bullett—"I believe Stalin wants nothing but security for his country, and if I give him everything I can and ask for nothing in return, Stalin will prove co-operative and will not try to annex anything, and work with us for peace after the war." As I have suggested, Mr. Churchill went along with the view that at least you have to make the effort to get along with Russia, but he also believed in standing firm on the critical issues.

Now the first direct contact between Roosevelt and Stalin that is significant, came in May 1943, when Roosevelt sent a personal letter to Stalin suggesting that they hold a private meeting somewhere, and he suggested that this meeting should be either "on your side or my side" of the Behring Straits. The President suggested they should not meet in Africa or Iceland, because he said, in that case it would be, frankly, quite difficult to exclude Prime Minister Churchill from that meeting.

Here you have Roosevelt in the middle of 1943, not only believing he could get along with Stalin, but approaching Stalin on a personal basis for a meeting with him alone, from which Churchill was to be excluded.

All this time Roosevelt was quite anxious to impress Stalin that he was not dealing for an Anglo-American alliance, and before the first Conference at Teheran, the British were dismayed because they were unable to persuade the Americans to work out a joint Anglo-American plan, which they could present to the Russians at Teheran.

Stalin, forewarned of course, and knowing Roosevelt's desire to meet him privately, takes his cue from this. As soon as they meet,—the first meeting is a private meeting attended only by their interpreters—Roosevelt made it clear to Stalin that he and the American leaders in general did not always agree with the British about the conduct of the war or structure of peace. Stalin was very quick to agree with that view. He suggested at the first Plenary session that Roosevelt should take the Chair, and so he brought the President in this way to his side of the table. He neutralized American influence, because Roosevelt found himself as the mediator and arbitrator, and the issues at Teheran became represented as disputes between the British point of view on the one hand and the Russian point of view on the other.

So at these Conferences, the representation and defence of what were essentially Anglo-American interests were left very largely to the British alone, with the President endeavouring at every stage to find a basis of compromise between the Russian and the British view, as if these two views were of equal value and equal merit. So what was essentially Anglo-American interest, was weakened, because America detached herself from the alliance.

Now a further move in this shift of the United States into the middle position came on the first evening at Teheran, when on the grounds of security, Stalin suggested that Roosevelt should move his quarters from the U. S. Embassy, to inside the Russian compound, and take his own villa. Roosevelt did this, and there again you will find him giving Stalin the impression that he wished to come to some arrangement with Stalin, and that he was anxious to be closer to Stalin than Churchill. In fact, Roosevelt refused to carry on discussions with Churchill in private, although he had private discussions with Stalin.

Now the President was quite guileless in this, but I believe we have to reconstruct the course of events, as Stalin saw them, and then work from that.

The next stage in the development of the Teheran Conference is this: On the third day Roosevelt found he was really getting nowhere with Stalin at all, and when he came back he subsequently told Frances Perkins, who was Minister of Labour in his Cabinet that on the fourth day he was depressed. He said, "So far I have done everything Stalin has asked me to do, and still I was unable to make any impact on the man. I could find no warmth in his responses," and so he recounted to her how he gained Stalin's confidence. And if you doubt the story you will find the secret recorded by Frances Perkins in her Memoirs.

Roosevelt told her that at the start of the fourth day he whispered to Churchill, "Winston, I hope you will not be mad at me by what I am going to do." And with that he proceeded into the Conference room, teasing Churchill about his personal habits, about his cigar, and all the time watching Stalin out of the corner of his eye. He teased Churchill about "being the embodiment of John Bull believing in archaic affairs of Empire." Then, says Roosevelt, Stalin laughed, and then "I knew I had him: after that I called him Uncle Joe."

This is a most tragic incident, because at the moment when it was most important for Britain and the United States to be united, we find this personal animosity between the two leaders, and Roosevelt's attempt to win Stalin's friendship at all costs irrespective of Churchill. The sorry aspect of it is, that after that, Roosevelt used to tell the story with relish.

One can imagine how in Stalin's mind there is building up a belief, "Here is a man that seems to be building up to a bargain with him at the expense of Britain."

Here we come to the second aspect of the development of this story, and that is that Roosevelt, as we know a firm believer in the principle of international stewardship of colonial peoples, was anxious to make this the main feature of the United Nations work. He had already approached Stalin before Teheran on this issue.

Also, before Teheran, when Roosevelt was meeting in Cairo with Chiang Kai Shek, he discussed with Chiang the future of Indo China, and suggested that it should be placed under international stewardship, and Chiang agreed. When Roosevelt recounted this incident to Churchill, Churchill replied, "Simply nonsense." Whereupon Roosevelt said, and I am quoting Roosevelt's own words—"You have 400 years of acquisitiveness in your blood". Proceeding from that basis Roosevelt then goes to Teheran, and he suggests to Stalin that one of the desirable goals is to convert Colonial territories into stewardship territories. Stalin says he approves of the idea, and Roosevelt turned to Churchill and said, "You are outvoted two to one."

Look at this trustee question in relation to the Roosevelt-Stalin relationship. At Teheran, he suggested that the British should give up Hong Kong as a gesture of goodwill to China and in keeping with this, that that territory should be converted; but at the same time Roosevelt suggests to Stalin that we will give to Russia ports in Manchuria and Port Arthur if Russian will enter the Japanese war as soon as Germany is defeated. While at the same conference it is suggested to Britain she should give up Hong Kong. At the same time while making this offer to Stalin, when it comes to the question of discussing issues in Europe, and particularly the frontier of Poland, the President goes out of the discussion; he leaves it entirely to Churchill and Stalin. His explanation was he did not want to commit himself, and so far he had upheld the principle that he would effect no territorial commitments of the first World War variety. That was a reasonable line to take, but at the same time when the issues came up at the Conference, for Roosevelt to go out of these Conferences, was to give Stalin the impression he had no interest. It must have appeared to Stalin to be going by default, and so far as Poland was concerned, Russia had the President's blessing for any arrangement which he could persuade Britain and the Poles to accept.

So here I think you have the basis of the idea in Stalin's mind, first of all, the independent approach by the President; secondly, the President's attack on the colonial system and the trusteeship which must surely have left the suggestion in Stalin's mind that he was to have a free hand, so that United States would inherit the trade from the Colonial world.

On the other hand, the President appears to be giving Stalin almost a free hand in Europe. I believe it was these two impressions that Stalin carried away from Teheran.

Then we come to the Crimean Conference. Here again you had a conference taking place at a time of Anglo American discord, and the cause of it is most significant of this feeling. In the latter part of 1944, the British, that is two months before Yalta, intervened in Greece for the purpose of preventing the Communists gaining control. This intervention produced not only a protest from the White House but a public rebuke of British policy issued by Stettinius, Secretary of State. The American protest surely was regarded by the Russians as American connivance at Russian domination of the Balkans, and an attempt to keep Britain out of the area of Russian ambitions. I do believe this open discord over the British policy in the Balkans, was a very significant factor, in the discussions that took place in Crimea in 1945 . . .

There were various questions in relation to China on which Britain and the United States were not agreed, and the President showed no desire to come to any understanding about the policy to be agreed to at Yalta. In fact, two Englishmen told me on the eve of the Conference, they felt the Americans were more suspicious of British post-war ambitions than of Russian post-war ambitions.

When it came to the subject of reparations, the Russians demanded reparations of 20 billion dollars, and they demanded that this be written into the agreement, and that Russia should have 50%. The British said, "We must have no figure in the document at all, because we don't know what Germany's capacity to pay will be, and we are not going to be saddled again with the responsibility of keeping Germany clothed and fed. So in the protocol the British say, "No figure at all." The Americans suggest, "Let us put the figure in as a basis of discussion." But of course once you have the figure in at all, it was a very short step for the Russians to insist that the Americans agreed with them that this was a fair and reasonable figure.

But this I think was not the most significant development at Yalta. Again we had a two power move, and this related to the attempt to persuade—if persuasion was necessary—the Soviet Union to enter the war against Japan. This goes through a curious development, and I think it is worth dwelling upon because it reveals something of the character of the Russian method of diplomacy and also the disastrous effect of negotiating with the Russians unless you are absolutely united on a common policy and realistic in the terms on which you are going to approach.

In October 1943 when Cordell Hull was in Moscow, Stalin said they would enter the war against Japan as soon as Germany was defeated and made no conditions, demanded nothing. A month later at Teheran he again volunteered the same information and again demanded nothing. And then the President proposed that Russia should be given the Manchurian ports of Darien and Port Arthur. After Roosevelt made this gesture, Stalin proceeded to set the price . . . Ironically as American need for Russian help declined. After October 1943, it was quite clear that Japan was beaten, and she could be brought to heel without any question of invading the Japanese mainland . . . In fact both General McArthur and Admiral Nimitz had gone on record as to Japan being defeated. Yet the President was persuaded the invasion of Japan would be necessary, and of course when Stalin found the Americans thought this, he naturally raised his price.

The entry of Russia into the war took place. Again you have this question of Manchurian ports confirmed. The President agreed that the Manchurian railway should be controlled by Russia. In other words, Russia was to become, as the price of her entry into the war, the political heir in the East, and would secure, with consent and approval, a legal title to those territories—in other words a legal title to the territories, from which the Communists have penetrated down into Southern Korea.

I did not subscribe to the charge that this was a shameful sell-out of the Chinese, but the Chinese knew nothing about the bargain made at Yalta. Roosevelt had said, that he would make no more postwar territorial commitments affecting allied or enemy nations; and secondly, that he would not transfer any colonial titles from one imperial power to another. He would stop at the principle of trusteeship until then. Now he abandoned his trusteeship. He had no chance against a hard bargainer like Stalin. And so having allowed Stalin to make gains in Asia against China, he was in no position to prevent him making gains in Europe at the expense of Poland. So he destroyed his own moral position.

So far as Stalin was concerned, he proceeded to sign a declaration called "The Declaration on Liberated Europe", which pledged democratic elections in all Axis-Satellite States, and pledged the powers also to ensure that these States retained their sovereignty and independence, but I am sure none of these undertakings were meant to be kept when made. After all, the Russians are past masters at putting out that kind of declaration. to cover that kind of politics.

A fortnight after Yalta they installed a Communist puppet in one of the Satellite states.

But I believe that Stalin went away from Yalta believing that he had the President's connivance at what he would do in Europe. I believe he came to that conclusion as a result of concessions made to him in Northern Asia, when he agreed to a system of trusteeship which would open the Colonial world to American trade.

When the question of American absolute trusteeship over the Japanese mandated islands came before the United Nations the Russians supported it, and believed they were supporting their part of the bargain.

So I think it is fair to assume from the path which events took that Stalin was as disillusioned as Roosevelt. Six weeks from Yalta the Russians moved into Roumania and established a Communist puppet—they moved into Poland and established their government. They broke the Yalta agreement in almost every respect, but I don't believe Stalin thought he was breaking faith with Roosevelt, who, ten days before his death, was protesting in the strongest terms and condemning Stalin in language that was hardly diplomatic in the cables that passed between Washington and Moscow.

The breach in American-Soviet relations did not come after the President's death. If you read the Vandenberg papers, you will be quite aware Roosevelt was aware that Stalin had betrayed him. And I believe it is also true that Russia was taken aback at the violence of our protests.

If I may take two or three minutes to try and draw from the course of these relationships, some conclusions, I would say this first, that the history of the wartime strategy and diplomacy indicates that the Russians are most patient and persistent in the pursuit of their objects, that they demanded of Roosevelt and Churchill very much the same things as they demanded of Hitler, and all the time their political stategies were closely in tune with their military objectives.

You can negotiate with the Russians provided you first of all return to balance of power. You must negotiate with them from situations of strength. In negotiations with them, we must be absolutely realistic, we must not be led aside by any minor gestures of good will. There must be no gestures on our part that are not matched by gestures on their part. We must work on the basis of *quid pro quo.*

Finally, we must be extremely patient, as witness the long chain of events in Korea. In the course of these negotiations, while I say we must be prepared to be firm and realistic. We must also be prepared to make some compromises on our part. We must not take up the postwar doctrine of unconditional surrender.

I would suggest in any negotiations with the Russians we must take a whole and full view of the problem. We must take account of political as well as military factors in our strategy. During the war, while Stalin kept his political objectives always in mind, we did not. The British did, in the final year of the war, bring their political ideals into the forefront in their strategy. We see now the assertion by the U.S. President that military policy must be subordinated to the political objective, and I hope that policy prevails.

Fifth, I believe in all these negotiations, we must work out in advance an Anglo-American policy. We must present it with a common front, and with absolute unity at the Conference table. The advantageous position which Russia was able to secure for herself during the war and after it, was due to the lack of unity between Britain and the United States.

And I believe, finally, the course of the war indicates that although we have profound reason to be grateful to Roosevelt for the mobilization of military power, although he was the great architect in the collection and the great mobilizer of American military forces, at the same time the outcome of the war would have been more favourable if the Americans had been more inclined to take account of British realism and British experience.

Therefore I would leave with you as a final suggestion that while Anglo-American unity must be the very foundation of our policy, that unity should not always have to be bought by Britain giving way.

THANKS OF THE MEETING were expressed by Mr. H. R. Jackman.

ANNUAL MEETING

Thursday, April 24th, 1952

CHAIRMAN: The President, Mr. D. H. Gibson.

PRESIDENT'S REPORT: In addressing the members of The Empire Club of Canada at this your Annual Meeting for the year 1951-52, it is correct to say that it has been a most eventful year.

Your Constitution provides that there will be submitted a report of the year's proceedings, including an interim Financial Report. The audited Financial Statements of the Club will appear in the published Year Book.

Following the undertaking last year that conversation should continue in regard to the question of amalgamation of the Canadian Club and the Empire Club, this resulted finally in a vote being taken. This matter, which received very thoughtful consideration and finally led to a decision that The Empire Club of Canada should continue with its own identity, has led to the conviction that in a city the size of Toronto there is room for two influential Clubs. Further, it is proper to state that the purpose and influence of the Empire Club contains within it, particularly for these times, matters of so great importance, tending to the further solidarity of the Empire or Commonwealth, that there is a sacred trust residing within the membership of this great organization to further these ideals. I would wish that time permitted to enlarge upon the function and purpose that can be fulfilled by this great institution.

In the past year we have been highly favoured with a galaxy of brilliant and influential speakers that really you can say in one sense our noon assemblies have been inspiring and informative to a degree that men on all sides are speaking of the effectiveness of the meetings of the Empire Club. These addresses are very far-reaching in their influence and power. It would be very difficult to recite to you the names of the outstanding speakers and their messages, for all without exception were very acceptable. We had leading men from Britain, the United States and Canada, who have travelled widely and who endeavoured to interpret to us something of world affairs and our major problems. It has been in a sense like attending the forum of a great University, and as I review the year I am satisfied that the Empire Club moves into its new year with strength and high purpose to fulfil the task so clearly outlined within its Constitution.

On the whole, we had good attendance but on some occasions, for some reason, members failed to respond,—and that is disappointing—and yet at the same time the speakers were of a high order. I do trust and covet for the incoming President that the members of the Empire Club, in so far as they are in the city and it is possible, will turn their eyes to the Thursday noon-day meetings,—these occasions of great gain and time well spent.

In respect to the finances of the Club, I have to report to you that postage rates were raised a hundred per cent; the cost of publication—with which you are all familiar—has become increasingly difficult to handle with our revenue. The result is that the Year Book expense and other printing, also stationery and postage, reached the figure of $5,916 against last year's figure of $4,241. Entire receipts from membership are only $7,864. Our speakers' fees and expenses were kept down to $518 for the entire year. You can see clearly, therefore, that even with considerably increased membership, the cost of the Year Book, printing, stationery and postage has become a charge which makes the $5.00 a year membership fee inadequate.

There have been those who are ready to say "We will gladly pay for our volume of the Year Book, as it is such a valuable document". However, it would be desirable that our members do not hesitate to confer with the Executive and give their minds as to how this matter can be solved. It is not a serious figure but it is only proper to bring the matter to your attention.

I do think it is proper to mention the fact that we are delighted to-day to have Sir Roy Dobson, this distinguished Britisher; and only recently had the high honour of the presence of Henry Ford II; and also it gave a thrill to all of us to have the able and charming son of Lord Tweedsmuir, The Honourable Alastair Buchan, who now resides in Washington. His address was one of the ablest of the season and we will always feel he belongs to Canada, as he lived at Rideau Hall in some of his formative years. And so we might go on to speak to you of the great contribution these speakers made, for which I now express our gratitude.

It is exceedingly difficult to mention specific names in recording our gratitude for work rendered. I am happy to say that the incoming President, Mr. Griffin, gave outstanding devotion and service, and is worthy of the high office and honour conferred on him to-day.

I would also like to refer to Mr. Sydney Hermant, the President last year, and of the splendid co-operation I received from him, as also from Mr. H. G. Colebrook, the President of two years ago. It is a very great thing that the Presidents of the Empire Club keep themselves identified with the active proceedings of this splendid organization.

I do not know how we would have got along without Mr. Horace Harpham who so ably arranged for our head-table guests; Mr. Ford Ralph, Chairman of our Reception Committee is so well suited for this position; we had splendid work done by Mr. Inwood in the Membership Committee; Mr. Sidney Fletcher arranged for very important and valuable publicity; Dr. Clarence Crummey is almost always on hand; and of course we turn to Mr. W. W. Comber daily for his guidance in respect to the Treasurer-ship.

I also want to express my thanks and gratitude to Mr. Ernest Miles, our Secretary, who watches so keenly the varied interests and operation of this Empire Club with such satisfaction; Mr. Harry Bourlier is a regular attendant, who plays the piano so acceptably as we sing to Her Gracious Majesty The Queen.

To Mr. J. Johnson, Manager of the Royal York Hotel, and Mr. Edward Hadley, Head Waiter in charge of these luncheons, we express our profound thanks.

Mr. R. A. Stapells, former President of the Club 1919-20, and all associated with him on the Nominating Committee deserves our gratitude.

In addition to our eventful speakers throughout the season, there were two events that I am sure will linger long in our memory, and to which reference should be made, and that is our gratitude to Sir Ernest MacMillan and St. Michael's Cathedral Choir, for an exceedingly delightful Christmas Festival occasion. We also pay tribute to the magnificent statement and courageous outlook that Lady Megan Lloyd-George brought to us in her message from Britain. Nothing could have been finer.

The sad event of the year was the passing of His Majesty The King, who throughout his reign so lifted the place of the Monarchy throughout the Empire that with special reverence and devotion the hearts of all his people go out to his greatly beloved companion our Queen Mother Elizabeth and the Royal Family, with solicitude do we render our faithful allegiance to Her Majesty Queen Elizabeth, whose presence in our midst was so timely for we all learned to respect and honour her as worthy to wear the Crown of Great Britain and Ireland.

In passing on the honour and privilege of this high office of President, I do want to express anew the marvellous assistance received from the great numbers of our members. Your encouragement helps to sustain one with unfailing devotion to a task that is arduous, requires much time and thought, but with your help and encouragement it is a position one is happy to have experienced.

We will now await the report of Mr. R. A. Stapells, Chairman of the Nominating Committee.

MR. STAPELLS: Mr. Chairman, the results of the Nominating Committee's deliberations are as follows:

President: John William Griffin
1st Vice-President: R. Ford Ralph
2nd Vice-President: H. R. Jackman
3rd Vice-President: Lt. Col. N. D. Nogg, M.B.E.
Secretary: Ernest Miles
Honorary Treasurer: W. W. Comber, C.A.
Honorary Auditor: H. T. Jamieson, F.C.A.

Members of the Executive Committee:
H. C. Bourlier
C. F. W. Burns
Russell W. Buyers
Lt. Col. C. A. Corrigan, D.S.O., V.D.
Dr. Clarence B. Crummey
S. S. Fletcher
Dr. C. C. Goldring
Warren Hastings
Arthur E. M. Inwood
James H. Joyce
Donald H. Jupp, O.B.E.
J. Palmer Kent
Bruce J. Legge
Donald F. McDonald
David G. C. Menzel
Harold Menzies
David J. Roche

Immediate Past President: D. H. Gibson, C.B.E.

Past Presidents: J. P. Pratt, Q.C.
H. B. Colebrook
Sydney Hermant

MR. GIBSON: I declare those nominated as elected.

"CANADIAN AVIATION – ITS POTENTIAL"

An Address by

SIR ROY DOBSON, C.B.E.
Managing Director, A. V. Roe & Co. Limited

MR. GIBSON: In the midst of a very busy life, we are honoured and privileged to have with us to-day Sir Roy Dobson, who we can claim is at least part Canadian in that he occupies the distinguished position of Chairman of the Board, Avro Canada Limited. I wonder if I may say the unusual thing when I express the feeling of all who know Mr. Crawford Gordon that we want Sir Roy Dobson to fully realize that Mr. Gordon is highly esteemed and greatly respected, for he made a contribution to the War years that will be always retained in our minds as a record of unusual distinction.

I believe Sir Roy will appreciate the endorsement I have just rendered as we all covet in our organizations men of promise and men highly regarded.

As I was turning over in my mind last evening this gathering of to-day, for some unexplainable reason my mind drifted out to sea and I thought of the beginnings of navigation and progressing on to the time when Columbus set sail, I think I am right in saying that his ships were of about forty-ton displacement; then my mind moved on to a remarkable play I once saw in London, England, when standing by the mantelpiece was an aged, brilliant and worthy father, a shipbuilder of the Clyde days, arguing with his two sons that wooden ships would never be displaced. Then coming to my own day, I was privileged to cross, commencing in 1906, when the *Campania* and *Lucania* of the Cunard Line were the crack ships of 10,000 ton displacement. Many a conversation I listened to argued that never could a ship be built of a length that would rest on three waves, as the test of a great storm would cause such a ship to break. Well, all these things have passed into ancient history and in this hour we stand in the midst of scientific development that staggers the mind, when we turn to the progress of men's minds such as Sir Roy Dobson in overcoming difficulties in connection with transportation through the mighty sea of air which rests above us.

At a dinner last evening, a gentleman present, who does much flying both in Europe and America, mentioned two facts—that from London to Australia there will come to pass, probably shortly, transportation in twenty-one hours. Some of you have journeyed on the P. and O. Line famous for its British seamanship, and well recall the five to six weeks required for such a journey. Equally startling was the fact of a run which I used to make frequently from Paris to Rome on a crack train leaving at eight o'clock at night and arriving in Rome the following evening at eight o'clock. Well, they tell me that by jet-propelled plane I can be shot from London to Rome in two hours and seventeen minutes.

I only mention these facts to say how privileged we are to-day to have with us one of the foremost and brilliant minds, a gentleman of world fame, who occupies many high positions and among them Air Commodore City of Manchester Squadron, also a member of the Joint Research Council for the great University of Manchester and also a member of the Manchester Chamber of Commerce.

Gentlemen, we will await with great interest the message of our friend, Sir Roy Dobson.

SIR ROY DOBSON: It was Sir Philip Sidney who during the reign of that other great English Queen Elizabeth said in his poem, Arcadia, that it is not good to wake a sleeping lion. He knew what he was talking about for he fought gallantly against his country's invaders, the Spanish. And we all know what happened to the Armada.

Gentlemen, I would like to say that Sir Philip's words are even truer today. I say this as an Englishman (almost an expatriate, I admit, as I do so much visiting in Canada) and as a spokesman of the largest aircraft and engine manufacturers in the world, the Hawker Siddeley Group. The British lion is far from decrepit. She has wings now and what is more is jet-propelled. More important she has beside the Canadian beaver and the American eagle as well as other well-behaved animals. It would be a very foolish bear indeed, even if he were joined by a dragon, which would dare arouse us. I assure you we are far from sleeping but very aware of the danger. This is not to say that we do not still have to strengthen our air power to preserve the security and freedom of our people, but at least we have made a good start.

I was told you would like to hear something about the British lion's jet air power, particularly its relationship to Canadian aviation. You see I have been particularly fortunate in being a participant in the phenomenal development of the aviation industry. I am a rabid exponent of air power and a very firm believer in the great future of Canada in this air world of ours.

It was during the last war that I first realized the aviation potential of this great country. I flew over here with my colleague, Sir Frank Spriggs, in 1943, in one of our own aircraft. With Ralph Bell, then in charge of your aircraft production, we toured Canada. You were, I am told, then producing more aircraft per capita than any democratic country. You were not only making such valuable trainers as the Anson but such fighters as the Hurricane which bore the brunt of the Battle of Britain and the Lancaster heavy bomber which did so much to win the war.

These famous aircraft were all designed by member companies of the Hawker Siddeley Group. During the war we produced more than a third of the equipment used by the Royal Air Force, more than 40,000 aircraft and 38,000 engines in all.

Our Gladiators were the first fighters to go into action against the Luftwaffe over Britain. They put up an epic performance in Greece against heavy odds and held off the Italian air force over Malta. It was one of our aircraft which made the first successful jet flight with Sir Frank Whittle's revolutionary engine just 11 years ago. Later models, called the Meteor, achieved fame by bringing down the V-1 rockets. Our defence production record goes back to the first Great War when so many Canadians flew alongside our pilots in Sopwith fighters. Our history goes back to the first days of flight itself.

During the last war there was constant liaison between the Group companies and the Canadian factories making our products, particularly between Avro Manchester and Victory Aircraft at Malton, which was chiefly concerned with Lancaster production. I can recall how impressed we were with how effectively Canadian industry had turned itself from peacetime to wartime output.

We were convinced your infant aviation industry would, when peace came, be of vital importance to the nation's economy, and a great contribution to Canada's growing stature as a world power. We were much impressed to discover the Canadian facilities for technical and scientific education were excellent; the workers had proved they could do a job; the attitude of the Government and the industrialists was helpful; the plant facilities, foundries and forges, were readily available. Most important, many Canadian engineers and scientists had shown a marked ability for original thinking.

It was clear to us that these potent factors could be turned to good account in furthering the ever-expanding industrialization of Canada and in building up Canada's vitally important export trade.

I mention the export trade for a definite reason. It seemed to us that certain exports might well be restricted, due to the fact that in some cases goods and equipment manufactured and produced here, were under licence, having been designed abroad. This meant that Canada could be at the mercy of other countries in the export markets.

My mind travelled over those regions of Canada with their vast mineral resources, and the great natural water supplies, which meant that even if the present electrical power supply was not adequate, it was within the bounds of possibility to double, and maybe treble, the power and hydro-electric installations, and so provide whatever energy was necessary.

It was obvious that a country with such a potential as Canada was destined to be self-reliant and self-contained. To achieve this aim, she must have extensive manufacturing facilities, to provide goods for her own domestic uses, and to sell in the wide-open markets of the world. In addition she must have the basic knowledge and experience to design, develop and perfect her own products.

This was our interpretation of the thinking of both the Canadian government and her leading industrialists.

The Rt. Hon. C. D. Howe, who I believe to be one of Canada's great men, in a speech once said that "If there is any country in the world where unrestrained optimism is justified, that country is Canada." I am sure you will agree that truer words were never spoken. I believe that Mr. Howe has lived this philosophy, and perhaps more than any other individual has helped and pushed Canada towards her ultimate goal, that of being one of the world's most powerful industrial nations — and one of the most self-reliant and self-sufficient.

To a large extent it was with Mr. Howe's inspiration and support and that of the Canadian government and R.C.A.F. that the Canadian aircraft industry developed the strength it enjoys today.

In Canada there are some of the finest and largest universities in the world. I was shocked to learn that a large proportion of the graduates of these universities went "south of the border" to get work wherein to use the knowledge they had gained and the training they had received at the expense of Canada. It seemed to me wrong to allow too much of this useful talent to leave the country. The interests of Canada seemed to be in the direction of using these young and well-trained brains to develop her own industrial and technical undertakings.

From what I have said, you will realize that we were being forced to the inevitable conclusion that in this great country there was a place for the development of aircraft and aircraft engines. Such an industry could become a major national asset, not only in terms of defence, and for Canada's domestic needs, but also to help the national budget in the export field.

Gentlemen, it is no misstatement when I tell you that had it not been for the vision and resourcefulness of the British aviation industry, there would be no mother country today. The industry on its own initiative had already begun to build Britain's aerial defences prior to 1939. Today we are also building our air power. But the leisurely days when Drake might finish a game of bowls and still have time to defeat the Armada are gone forever. Our attackers can now come in perhaps faster than the speed of sound, loaded with atomic bombs. We need ever-better interceptors and guided missiles as the speed of enemy bombers increase. The British aviation industry must spend more and more time on the development of fantastic new aerial weapons.

I am not an alarmist, but if you look at a map of the world you will note that Canada is exactly athwart the shortest air routes between the Soviet Union and the United States. A war of the future — and pray God it never come — might well be decided over the skies of Canada just as a few short years ago democracy was saved in the Battle of Britain by the "gallant few" of the Royal Air Force. Your pilots should have all the advantages of flying up-to-the-minute aircraft. The only way your pilots will have aircraft specially designed for Canadian defence conditions is when a self-sufficient Canadian aircraft industry is encouraged to develop them. Fortunately this need is fully recognized by your government and the R.C.A.F.

I also do not need to tell you that distances between industrial centres in Canada make travel by air a sheer necessity. Today there is a great shortage of air transports in this country and a great demand for them. This has opened up a great commercial market for aviation products, which should be supplied by Canadian industry. Here again the export possibilities are immense.

The defence and commercial needs of Canada in aviation persuaded the Hawker Siddeley Group that here was a good country to start a self-sufficient, healthy aircraft industry. There were facilities available both to begin and see such a project through.

Accordingly, with the help of the Canadian authorities, we took over after the last war the facilities of the crown company, Victory Aircraft, which was virtually an empty factory. We transferred from the United Kingdom to this new company, which was named Avro Canada, the nucleus of a skilled aircraft design team, and recruited and trained Canadian men and women as we grew.

On the engine side of the business, we were a little more fortunate in that we took over, by arrangement with the Canadian Government, an existing organization, Turbo Research, which we transferred to Malton where it was augmented and transformed into a workable design unit, backed up by the appropriate development facilities. Many of these young Canadians had worked with Sir Frank Whittle on his first jet engine.

During the last war, experience had proved that it was necessary to design and build Canadian aircraft engines to make the aircraft industry truly self-sufficient and this was the reason the Canadian Government had started Turbo Research.

Today this country has at Avro Canada two complete engineering teams. One fully skilled in the design and development of aircraft and the other the same on engines

In the early days we tackled three tough assignments. One, the design and development of an all-weather fighter for Canadian defence; two, a jet engine to power it; and three, a medium-range commercial jet transport for Canadian routes. All three are now recognized as engineering achievements. The fighter, known as the CF-100, and the Orenda engine are in production. Only the outbreak of the war in Korea forced us to postpone quantity production of the Jetliner, the first and only transport of its type on this continent. To have all three products reach such a degree of success is an accomplishment in itself. Designing and developing modern aircraft and engines is a field where many are called and few are chosen, believe me.

We were fully aware that the launching of an organization to develop two new aircraft and a new engine would be a tremendous undertaking. It may appear a simple and straightforward job. In reality it involved frequent transfers of staff across the Atlantic, the movement of technical data and information, processes and materials. We knew considerable time and money would be involved in successfully completing the design, building, testing and developing of both aircraft and engines. However, we were confident that whatever the cost, it would eventually be justified. I am sure you will all agree with me that the investment was a wise one for the good of Canada and indeed for all democratic countries.

Pioneering in any sphere is an uphill task, fraught with difficulties and often discouragement. The CF-100, Orenda and Jetliner have been no exception but they have proven worthy of the effort.

I don't need to tell you that it takes considerable funds to start and develop such an undertaking. Our group has invested a considerable amount of money in the Avro Canada project, despite the difficulties of transferring sterling to dollar areas. We do not regret one cent of it. Incidentally, at this moment, another few million dollars are in process of transfer from Britain. This is the measure of our confidence in Canada and its aviation future.

There may be — and indeed there has been — some criticism of such an ambitious venture. One of the reasons advanced is that the Canadian aircraft industry could never really be up-to-date, because of the intensive research being carried out by our competitors in the United Kingdom and America.

This theory might have been true, but for the following two reasons, which the critics overlooked, it is a complete fallacy:

Firstly, Avro Canada has technical and financial backing in full measure from the Hawker Siddeley Group in England, which means that in fact the new company did not have to travel alone even if it did start from the beginning. A veritable pipeline is in operation between the Group in England and the new partner at Malton.

Secondly, as time goes on Canada will gradually accumulate her own research equipment and facilities—in fact she already has some and is gradually gaining valuable experience, by taking advantage of the already proved experience offered by the various companies of the Group. However, in spite of all the technical information and know how which can be pumped into a new organization, it would not function satisfactorily without wise and energetic management which I am sure you will agree we have got in the person of this young and knowledgeable Canadian, Mr. Crawford Gordon, Junior, now the President and General Manager of our company at Malton, and he is backed loyally and well by a thoroughly enthusiastic team of design and production engineers, of whom we are indeed proud.

Experience has proved that the development of a new aircraft or engine absorbs not less than five years and in many cases a longer period. In this respect Canada is just about on schedule. Perhaps it is only natural for Canadians to expect production miracles, but it must be realized that the modern airplane takes more than three times the number of man hours to produce, than did its counterpart in the last war.

To produce aircraft and engines of the high calibre of the CF-100 and Orenda many kinds of special materials and equipment were required, most of which were not available in Canada when Avro Canada commenced operations. For defence and economic reasons the Canadian Government very wisely insisted that we should be self-sufficient by having everything made in this country. This involved the establishment of numerous new industries. Some were transferred from the United Kingdom and, interestingly enough, a few came from the United States.

Much technical knowledge and many new production techniques have been imported. The introduction of skilled and specialist labour was also undertaken. Large numbers of capable workers have arrived here during the last five years, to swell Canada's industrial population. as an example, consider Avro Canada's young chief aircraft designer, Jim Floyd, formerly of Avro Manchester, who last year was the first non-American to capture the Nobel prize of aviation — the Wright medal of the United States. He once was an Englishman but now is more Canadian than most Canadians. Then there is the general manager of the Gas Turbine Division, Tom McCrae, who came to us from the Allison Division of General Motors in the United States. The other day we transferred Jan Zurakowski, one of the world's leading test pilots, from Gloster Aircraft to Avro Canada. These are a few of the outstanding examples.

The Hawker Siddeley Group, and of course I include Avro Canada, is doing much to prepare the defences of the west against possible attack. Due to the secrecy of our work, I cannot say much about our products. However, I can assure you that developments are being carried on in our shops and in our laboratories which would stagger the imagination. Our current aircraft and engine production cover every military requirement. The Hawker Hunter, which we maintain is the best fighter in the world today, is being produced in quantity for the R.A.F. Our Armstrong Siddeley Sapphire turbo-jet engine, now being manufactured in both Britain and the United States, is the most powerful engine in the democratic arsenal. Just today it was announced that the Sapphire has successfully passed the stringent British-type test at 8,300 lb thrust. This is the highest power ever achieved on an official type test by any jet engines. Our Group have made many outstanding aero engines including several types of rocket motors. The Gloster Meteor, most versatile of jet fighters, is still in service in large numbers and is a very important factor in Western Union Defence. Hawker Sea Hawks are serving with the Royal Navy while in Korean waters Sea Furies operate with units of the Far Eastern fleet. The Avro Shakleton is acknowledged to be the most versatile and powerful aircraft in the world for submarine hunting and killing. Aerial research is being carried out on the Avro Ashton and delta wing models. Recently the Gloster company unveiled a sansational new twin jet delta fighter.

Needless to say, the Avro Canada Orenda and the CF-100 projects have aroused international interest. I venture to predict that once the needs of the R.C.A.F. are met they will be in demand by the air forces of our allies. The Orenda has already been chosen to power Canadian-built Sabre fighters of U.S. design. Undoubtedly we will see this powerful combination operate in English skies by the pilots stationed there with the R.C.A.F. as well as elsewhere.

Gentlemen, it is obvious to me and I hope to you that we have much to be proud of in this new jet-powered aviation industry in Canada. The Orenda has successfully passed its official acceptance tests by the R.C.A.F. and now is well into quantity production in recently-completed facilities. The first of the CF-100 fighters have been delivered to the R.C.A.F. and the delivery pace is quickening. You have a good commercial jet airliner, ready and at your disposal, the only one on the continent. This, I submit, is a good beginning. I forecast even more interesting developments from Avro Canada in the future.

Believe me our aim is to encourage your desire to be independent and to achieve something distinctly Canadian. We in the Group are proud of Avro Canada's record just as we in the United Kingdom are proud that our senior commonwealth partner, despite its relatively small population, is the third democratic air power today. We see, and I believe, you see in this partnership, the surest hope in the troublesome days ahead. With our air power allied to yours and that of the United States, there is no combination on earth which can equal us.

In closing let me say this to you. Let us unitedly look to the future with optimism and without fear. The development and expansion of Canada should be without parallel. But let us strive to make Canada more and more self-sufficient.

THANKS OF THE MEETING were expressed by Mr. John Griffin, Third Vice-President and President-Elect of The Empire Club of Canada.

THE EMPIRE CLUB OF CANADA, TORONTO, ONTARIO
REPORTS AND ACCOUNTS

29th August, 1952

The President and Members of the Executive Committee,
The Empire Club of Canada,
Toronto, Ontario.

GENTLEMEN,

We have examined the books and accounts of the Empire Club of Canada, Toronto, Ontario, and have prepared and attach hereto a Statement of Receipts and Payments for the year ended 30th April, 1952.

We report thereon as follows:—

Membership Fees:

We are satisfied that in total all 1951-52 fees receivable from Members on record as in good standing as at 30th April, 1952, have been accounted for.

Membership Roll:

Following is a summary of the Membership Roll for the year:

	Resident	*Non-Resident*	*Honorary and Life*	*Total*
Membership Roll as at 30th April, 1951	1,412	74	22	1,508
Net Increase or Decrease ..	—1	9	1	9
Membership Roll as at 30th April, 1952	1,411	83	23	1,517

The Treasurer has certified that the Roll as at 30th April, 1952, contained 1,517 Members as shown above.

Payments:

All payments made during the year were duly authorized by the Executive Committee.

Liabilities:

Mr. G. A. Lascelles, the Chairman of the Finance Committee, has certified that there were no outstanding accounts as at 30th April, 1952.

Fidelity Bond:

Mr. W. W. Comber, the Treasurer, is bonded for $500.00.

Insurance:

Office furniture is covered by a fire insurance policy in the amount of $485.00.

Acknowledgment:

We express our appreciation of the courtesy and assistance extended to us by the Treasurer during the course of our audit.

Reported by,

H. T. JAMIESON LE MAY & COMPANY,
CHARTERED ACCOUNTANTS,
Honorary Auditors.

THE ANNUAL FINANCIAL STATEMENT

RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH APRIL, 1952

Cash on Hand and in Bank as at 30th April, 1951 .... $2,589.00

RECEIPTS

Membership Fees		$7,494.00	
Extra Contributions from Members		350.00	
Proceeds of sale of Year Books		11.75	
Interest:			
On Investments	$ 45.00		
On Bank Balance	45.99		
		90.99	
			$7,946.74

PAYMENTS

Luncheon expenses net of proceeds of sale of tickets		$ 821.72	
Honoraria:			
Secretary	$600.00		
Treasurer	150.00		
		750.00	
Miscellaneous Expenses		165.85	
Printing, Stationery and Postage		3,422.30	
Printing 1950-1951 Year Book		2,525.12	
Recording and Publicity		236.20	
Speakers' Fees and Expenses		578.82	
Telephone and Telegraph		218.24	
Expenses re Amalgamation Ballot		477.14	
			$9,195.39

Excess of Payments over Receipts $1,248.65

Cash on Hand and in Bank as at 30th April, 1952 .... $1,340.35

We report that we have examined the books and accounts of The Empire Club of Canada, Toronto, Ontario, for the year ended 30th April, 1952, and have obtained all the information and explanations we have required, and that, in our opinion, the above Statement shows correctly the Receipts and Payments of the Club for the year ended 30th April, 1952.

In addition to the Cash Balance of $1,340.35, the Club holds $1,500.00 Dominion of Canada 3% Ninth Victory Loan Bonds due 1st September, 1966.

As at 30th April, 1952, the Club was committed to publish the 1951-52 Year Book at an estimated cost of $2,500.00.

H. T. JAMIESON LE MAY & COMPANY,
CHARTERED ACCOUNTANTS,
Honorary Auditors.

Toronto, Ontario.
29th August, 1952.

“OFFICERS AND EXECUTIVE COMMITTEE”

1952-1953

Officers:

President: John William Griffin
First Vice-President: R. Ford Ralph
Second Vice-President: H. R. Jackman
Third Vice-President: Lt Col. N. D. Hogg, M.B.E.
Secretary: Ernest Miles
Honorary Treasurer: W. W. Comber, C.A.
Honorary Auditor: H. T. Jamieson, F.C.A.

Executive Committee:

H. C. Bourlier
C. F. W. Burns
Russell W. Buyers
Lt. Col. C. A. Corrigan, D.S.O., V.D.
Dr. Clarence B. Crummey
S. S. Fletcher
Dr. C. C. Goldring
Warren Hastings
Arthur E. M. Inwood
James H. Joyce
Donald H. Jupp, O.B.E.
J. Palmer Kent
Bruce J. Legge
Donald F. McDonald
David G. C. Menzel
Harold Menzies
David J. Roche

Immediate Past President:

D. H. Gibson, C.B.E.

Past Presidents:

J. P. Pratt, Q.C.
H. B. Colebrook
Sydney Hermant

CONSTITUTION

INSTITUTED 1903

THE OBJECT OF THE CLUB IS THE ADVANCEMENT OF THE INTERESTS OF CANADA AND A UNITED EMPIRE

Organization of the Club and Branches

Art. 1.—(1) The organization shall be called The Empire Club of Canada.

(2) Branches of the club may be established with the authority of the Executive Committee, and subject to such conditions and regulations as may from time to time be decided upon by the Club in Toronto.

(3) A committee may be appointed under the provisions of sub-section 2, article 1, for the establishment of branches of the Club, and the word "Unit" shall denote a Branch.

Classes of Members

Art. 2.—The Membership of the Club shall consist of

(a) Active Resident Members,
(b) Non-Resident Members,
(c) Life Members,
(d) Honorary Members,
(e) Associate Members,
(f) Corporate or Sustaining Members.

All members must be of the full age of sixteen years, and members of classes (a), (b), (c), (d) and (f) must be British subjects.

Active Resident, Non-Resident and Associate Members

Art. 3.—(1) Candidates for Active Resident, Non-Resident and Associate Membership shall be proposed and seconded by two members of the Club in good standing, and shall be elected by a two-thirds majority of those present at any meeting of the Executive Committee.

(2) Subject to sub-section 4 of this article Active Resident and Associate members shall pay an annual fee of $5.00 and Non-Resident members $3.00, payable on or before the first day of October in each year. Payment of such fees shall entitle each member to receive a copy of the Year Book. No member in arrears for fees or dues shall be considered in good standing or be eligible for office.

(3) Associate members shall not have the privilege of voting or holding office.

(4) Members whose applications for membership are received after the first day of April in any year shall pay one annual fee only in respect of the period from that time till the 30th day of September in the following calendar year.

Life Members

Art. 4.—(1) Life Members, not exceeding ten in any one year, may be elected from time to time, at an open meeting of the Club, upon the recommendation of the Executive Committee. Provided, however, that Ministers of the Federal Parliament and Premiers of the different Provinces of the Dominion of Canada may be eligible for election at any time, even though their election may cause the number of Life Members to exceed ten in one year.

(2) Life Members shall pay a fee of $75.00 in one sum.

Honorary Members

Art. 5.—(1) Honorary Members may be elected upon the recommendation of the Executive Committee, and at a general meeting of the Club.

(2) Honorary Members shall be exempt from the payment of fees, but shall not have the privilege of voting or holding office.

Corporate or Sustaining Members

Art. 5A—Any company, partnership or business organization shall be eligible for election as a Corporate or Sustaining Member. Applicants shall be proposed by two Active Resident Members of the Club in good standing and the application shall contain the name and position of the Officer nominated by the Applicant as its Candidate for membership. The Applicant and its Nominee shall be elected by a two-thirds majority of those present at any meeting of the Executive Committee. A Sustaining or Corporate Member shall pay an annuel fee of $50.00 which shall include the fee of its representative member.

Officers to be Elected

Art. 6—(1) The officers of the Club shall consist of an Honorary President; a President; First, Second and Third Vice-President; an Honorary Treasurer, or a Treasurer, or both; an Honorary Secretary or a Secretary, or both; an Executive Committee which shall consist of the officers appointed under this Article and 17 other members, who, with the officers, shall be elected by ballot, and of the ex-officio members hereinafter mentioned. There may also be elected an Assistant Secretary and Assistant Treasurer. Three Past Presidents together with the immediate Past President shall be the ex-officio members of the Executive Committee for the ensuing year.

Election of Officers

(2) The election of Officers of the Club shall take place at a general meeting of the members, to be held not later than April 30 of each year, at a date to be decided upon by the Executive Committee, and this meeting shall be deemed to be the Annual Meeting. The Officers and Executive Committee then elected shall hold office until April 30th, of the following year, and thereafter until their successors respectively have been duly elected and installed. A Nominating Committee consisting of five members of the Executive Committee and four other members (this Committee shall select its own Chairman)

shall be appointed by the Executive Committee and approved at a regular or special meeting of the Club not less than four and not more than six weeks before such Annual meeting, due notice of such regular or special meeting to be given to all members in good standing, and such Committee shall report to the Annual Meeting. If nominations do not exceed the number of the officers and members of the Executive Committee necessary under the Constitution, the President shall instruct the Secretary to cast one ballot in favour of those so nominated and thereupon such persons shall be declared by the President to have been duly elected.

(3) An Auditor or Honorary Auditor shall be elected at each Annual Meeting.

Standing Committees

(4) Standing Committees shall be appointed as follows:

(a) Budget and Finance Committee.
(b) Speakers' Committee.
(c) Membership Committee.
(d) Constitution Committee.
(e) Luncheon and Reception Committee.
(f) Publicity Committee.
(g) Year Book Committee.

Filling of Vacancies Among Officers

Art. 7.—In the event of an office becoming vacant by death, resignation, or otherwise, the vacancy thus caused shall be filled by the Executive Committee and the person so chosen shall hold office until the next Annual Meeting.

Duties of Officers

Art. 8.—The duties of the Officers shall be those customary to such positions in similar organizations.

Holding of Meetings

Art. 9.—(1) The Club shall hold general meetings weekly, if possible, from October to April, both inclusive, in each twelve months with such intermissions as from time to time may be decided upon.

(2) At the Annual Meeting a report of the year's proceedings and work shall be submitted by the President, and this report shall be accompanied by an interim report from the Treasurer. An audited statement of the finances of the Club for the full financial year shall be published in the Year Book.

Notice of Meetings

Art. 10.—Written or printed notices of all meetings shall be given to the members of the Club. Such notices shall be sufficient if addressed to the members, and deposited post paid in the post office in Toronto.

Quorum at Meetings

Art. 11.—Fifteen members in good standing shall constitute a quorum at any meeting of the Club, general, annual or special, and the presiding officer shall have a casting vote. Nine members shall form a quorum of the Executive Committee.

Limitation of Business at General Meetings

Art. 12.—No business other than the hearing of the addresses and notices of motion shall be introduced at any meeting of the Club, unless it has been submitted to the Executive Committee and received its approval.

Calling of Special Meetings

Art. 13.—Meetings of the Executive Committee shall be called by the President, or on a requisition signed by three of its members. Special meetings of the Club may be called by the President, and shall be called by him on a requisition signed by twelve members and stating the object of the meeting. This object shall be stated in the notice calling the special meeting.

Financial Year

Art. 14.—The Financial Year of the Club shall begin on the first day of May in each year and end on the thirtieth day of April in the year following.

Amendments to Constitution

Art. 15.—This Constitution may be amended at the Annual Meeting, or at a special meeting called for that purpose, subject to a two thirds majority vote of the members present.

MEMBERSHIP

as at April 30, 1951

LIFE MEMBERS

Bruce, Hon. Dr. Herbert
Clouse, Dr. Elias
Clouse, F. L.
Cobham, Arthur H.
Coombs, F. J.
Cosens, Gordon G.
Eaton, Donald L. H.
Gibson, D. H., C.B.E.
Johnson, E. E.
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